

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

# **Preserving the Past to Protect the Future**

2009 Performance and Accountability Report



## A Message from the Archivist of the United States



The National Archives and Records Administration (NARA) marked its 75<sup>th</sup> anniversary this past year. It was June 19, 1934, when President Franklin D. Roosevelt signed the long-awaited legislation creating the Archives. We've come a long way since then — we now hold billions of records both in traditional and electronic formats, have 44 locations across the country, and many of our resources are increasingly available online.

We are very proud of our history as our nation's record keeper, and the work we have done for the past 75 years to preserve and provide access to the records of our Government — from the Declaration of Independence, to the census records enumerating the individuals that make up our nation, to the service records of the men and women who serve in our military, to documentation on homeland security issues that will make our country safer. But this report is not about the past. It is about the progress we've made this past year toward meeting the vision we have for our future.

I am pleased to present the National Archives and Records Administration's Performance and Accountability Report for FY 2009. Thanks to support from our stakeholders and partners and the efforts of our exceptional staff, we made progress on each of the goals of our Strategic Plan and our three material weaknesses. Our Strategic Plan, which we reassessed and updated this year, directs us to attend to six goals — demonstrating leadership in managing the nation's records, preserving and processing records to ensure access, meeting electronic records challenges, expanding opportunities for access, increasing civic literacy, and equipping NARA to meet the needs of our customers. Our progress in these areas is detailed throughout this report.

I encourage you to read the report to discover the strides we have made in launching the initial operating capability of the Electronic Records Archives (ERA). ERA lays a foundation for NARA and all other Federal agencies to perform records management business transactions online to improve the way government records are organized, stored, and retrieved. Besides the direct benefit to government, these capabilities will make it easier for citizens to discover what records the government has and to access electronic archival holdings. This year we took the records of the George W. Bush Administration into the National Archives, ensuring an efficient transition of these records to a new Presidential Library. Of the 77 Terabytes of data that were identified and transferred to us as unclassified electronic records of the Executive Office of the President, we completed loading 72.3 TB into ERA by early October. The remaining 4.7 TB represent Federal records from the Federal components of the EOP that will be loaded in the base ERA system.

We have also made strides in ensuring that our resources are well managed with the proper oversight. I am able to provide a qualified statement of assurance that, with the exception of three material weaknesses — holdings protection, IT security, and inventory control over artifacts in the Presidential Libraries, NARA's internal controls are achieving their intended objectives. Our objectives are aligned with those specified by OMB Circular A-123 to ensure that programs achieve their intended results; resources are used consistent with NARA's mission; programs and resources are protected from waste, fraud, and mismanagement; laws and regulations are followed; and reliable and timely

information is obtained, maintained, reported, and used for decision making. This assessment is based on results of audits and evaluations conducted by the Government Accountability Office (GAO), NARA's Office of Inspector General (OIG), management control evaluations, and other written evaluations conducted in the 12 NARA offices and staff organizations. It is also based on senior management's knowledge of the daily operations of NARA programs and systems. Finally, I have also relied upon the advice of the OIG concerning this statement of assurance.

To address our material weaknesses, NARA staff created and will implement individual action plans. This year I established the NARA Holdings Protection Program. Results of its risk assessment will help inform us how to proceed in five areas: policy and procedures; training; security for storage areas; internal controls; and theft prevention and response. Our action plan for IT security is focused on IT implementation of personally identifiable information (PII) protections. Two important areas include encryption of laptops and security procedures to transport backup tapes. Inventory plans and controls are the main focus in the action plan for inventory control over artifacts in our Presidential Libraries. Additional details on these action plans, as well as progress made during FY 2009, are found in our FMFIA report in the appendix.

This past year we celebrated more than simply the fact that the National Archives has existed for 75 years. We celebrated our role in our nation's democracy — a role built on ensuring that the citizens of our country are free to inspect, use, and learn from the records of the Government. Since 1934, thousands of NARA staff members in Washington, DC, and in Presidential Libraries, regional archives, and records centers across the country have worked to keep the holdings that document our history, our rights, and our entitlements safe and accessible for future generations.



Adrienne C. Thomas  
Acting Archivist of the United States

November 16, 2009

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## SECTION 1

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Introduction

This Performance and Accountability Report represents the culmination of the National Archives and Records Administration's (NARA) program and financial management processes, which began with strategic and program planning, continued through the formulation and justification of NARA's budget to the President and Congress and through budget execution, and ended with this report on our program performance and use of the resources entrusted to us. This report was prepared pursuant to the requirements of the Chief Financial Officers Act, as amended by the Reports Consolidation Act of 2000 and mandated by the Accountability of Tax Dollars Act of 2002, and covers activities from October 1, 2008, through September 30, 2009.



*The prehistoric Baluchiterium was the largest land mammal. This life-size cutout, taken from a drawing made for the National Zoo, was a fitting welcome to NARA's "BIG!" exhibit. The exhibit featured big records, big events, and big ideas. (Photo by Earl McDonald)*

## How to Use This Report

This report describes NARA's performance measures, results, and accountability processes for FY 2009. In assessing our progress, we are comparing actual results against targets and goals set in our annual performance plan, which we developed to help us carry out our Strategic Plan. Our complete set of strategic planning and performance reports is available on our web site at <http://www.archives.gov/about/plans-reports/>.

This report has four major sections:

- **Management's Discussion and Analysis**

Look here for the highlights of our agency-wide performance and use of resources in FY 2009. You also will find information on the strategies we use to achieve our goals and the management challenges and external factors that affected our performance.

- **Performance Section**

Look here for details on our performance by strategic goal and long-range performance target in FY 2009. This section covers our targets, how and why we met or did not meet them, and explanations of how we assess our performance and ensure the reliability of our data. Also included is information on evaluations and Federal agency compliance with Federal records management policy.

- **Financial Section**

Look here for details on our finances in FY 2009, our audited consolidated financial statements and notes, required supplementary information, and the reports from our independent financial auditor and our Inspector General.

- **Other Accompanying Information**

Look here for our Inspector General's assessment of our agency's management challenges, management's response to this assessment, and our Financial Manager's Financial Integrity Act (FMFIA) report.

James Chung of Slingerlands, NY, says his six-year-old son, Connor, "may be the biggest space nut on this planet." Connor asked if he could go to the John F. Kennedy Library to watch video of Kennedy delivering his speeches about committing to get a man to the moon and back by the end of the decade. Chung contacted the Library and arrangements were made for Connor to visit.

"The archivists couldn't have been nicer," said Chung. "They had the two JFK speeches ready to view. While my son was totally engrossed by the speeches, the archives staff members were peeking around the corner, curious about the six-year-old who was digging into their archives. They gave him a parting gift of the two speeches on a CD, and two photos of JFK meeting John Glenn after he returned to Earth as the first American in orbit. My son walked out thinking that the JFK Museum was the coolest place on earth."



*At the JFK Library, Connor Chung watches President Kennedy deliver a historic speech. (Photo courtesy James Chung)*



## About NARA

The National Archives and Records Administration is our nation's record keeper. An independent agency created by statute in 1934, NARA safeguards the records of all three branches of the Federal Government. Our job is to ensure continuing access to essential documentation and, in doing so, we serve a broad spectrum of American society. Genealogists and family historians; veterans and their authorized representatives; academics, scholars, historians, business and occupational researchers; publication and broadcast journalists; Congress, the Courts, the White House, and other public officials; Federal Government agencies and the individuals they serve; state and local government personnel; professional organizations and their members; students and teachers; and the general public – all seek answers from the records we preserve.

### Our Vision

As the nation's record keeper, it is our vision that all Americans will understand the vital role records play in a democracy, and their own personal stake in the National Archives. Our holdings and diverse programs will be available to more people than ever before through modern technology and dynamic partnerships. The stories of our nation and our people are told in the records and artifacts cared for in NARA facilities around the country. We want all Americans to be inspired to explore the records of their country.

### Our Mission

The National Archives and Records Administration serves American democracy by safeguarding and preserving the records of our Government, ensuring that the people can discover, use, and learn from this documentary heritage. We ensure continuing access to the essential documentation of the rights of American citizens and the actions of their government. We support democracy, promote civic education, and facilitate historical understanding of our national experience.

### Our Strategic Goals

NARA's strategic goals are set forth in our 10-year Strategic Plan, published in September 2006, which covers the period FY 2007 through FY 2016. This plan acknowledges recent achievements, assesses new challenges facing us, and commits us to measure our value to the taxpayer by setting aggressive outcome-oriented performance targets.



*President Barack Obama delivers a major speech from the Rotunda of the National Archives on May 21. Behind him is a mural by artist Barry Faulkner depicting James Madison presenting a draft of the Constitution to George Washington. (White House photo by Pete Souza) [www.archives.gov/news/2009/president-speech.html](http://www.archives.gov/news/2009/president-speech.html)*

Our six strategic goals are:

- 1: As the nation's record keeper, we will ensure the continuity and effective operation of Federal programs by expanding our leadership and services in managing the Government's records.
- 2: We will preserve and process records to ensure access by the public as soon as legally possible.
- 3: We will address the challenges of electronic records in Government to ensure success in fulfilling NARA's mission in the digital era.
- 4: We will provide prompt, easy, and secure access to our holdings anywhere, anytime.
- 5: We will increase access to our records in ways that further civic literacy in America through our museum, public outreach, and education programs.
- 6: We will equip NARA to meet the changing needs of our customers.

### ***Our Organizational Structure***

We carry out our mission through a national network of archives and records services facilities stretching from Washington, DC, to the West Coast, including Presidential Libraries documenting administrations back to Herbert Hoover. Additionally, we publish the *Federal Register*, administer the Information Security Oversight Office (ISOO) and the Office of Government Information Services (OGIS), and make grants for historical documentation through the National Historical Publications and Records Commission (NHPRC). We preserve and make available, in response to hundreds of thousands of requests, the records on which the entitlements of citizens, the credibility of Government, and the accuracy of history depend. More and more people are using our services and gaining access to our records through the Internet, whether by requesting copies of records through our Inquire form at *Archives.gov*, commenting on regulations at the Government-wide site *Regulations.gov*, searching online databases of records and information, or engaging in a host of other activities through *Archives.gov*. We continue to encourage this trend, by adding online services and fully participating in several of the President's e-Government initiatives, so that citizens everywhere have access to our vast holdings. The organizational chart in figure 1 provides an overview of NARA's structure.

### **Personnel on Board\***

All funds as of September 30, 2009									
Programs	Washington, DC, Area			Field Locations			Nationwide Total		
	Full – Time Perm	Other	Total	Full – Time Perm	Other	Total	Full – Time Perm	Other	Total
Records Services	789	211	1,000	8	3	11	797	214	1,011
Regional Records Services	180	22	202	1,018	595	1,613	1,198	617	1,815
Presidential Libraries	68	15	83	334	81	415	402	96	498
Information Security Oversight Office	32	0	32	0	0	0	32	0	32
Federal Register	62	0	62	1	0	1	63	0	63
National Historical Publications and Records Commission	9	0	9	0	0	0	9	0	9
Electronic Records Archives	40	14	54	1	0	1	41	14	55
<b>Total</b>	<b>1,180</b>	<b>262</b>	<b>1,442</b>	<b>1,362</b>	<b>679</b>	<b>2,041</b>	<b>2,542</b>	<b>941</b>	<b>3,483</b>

\* Admin Staff distributed across Program Offices

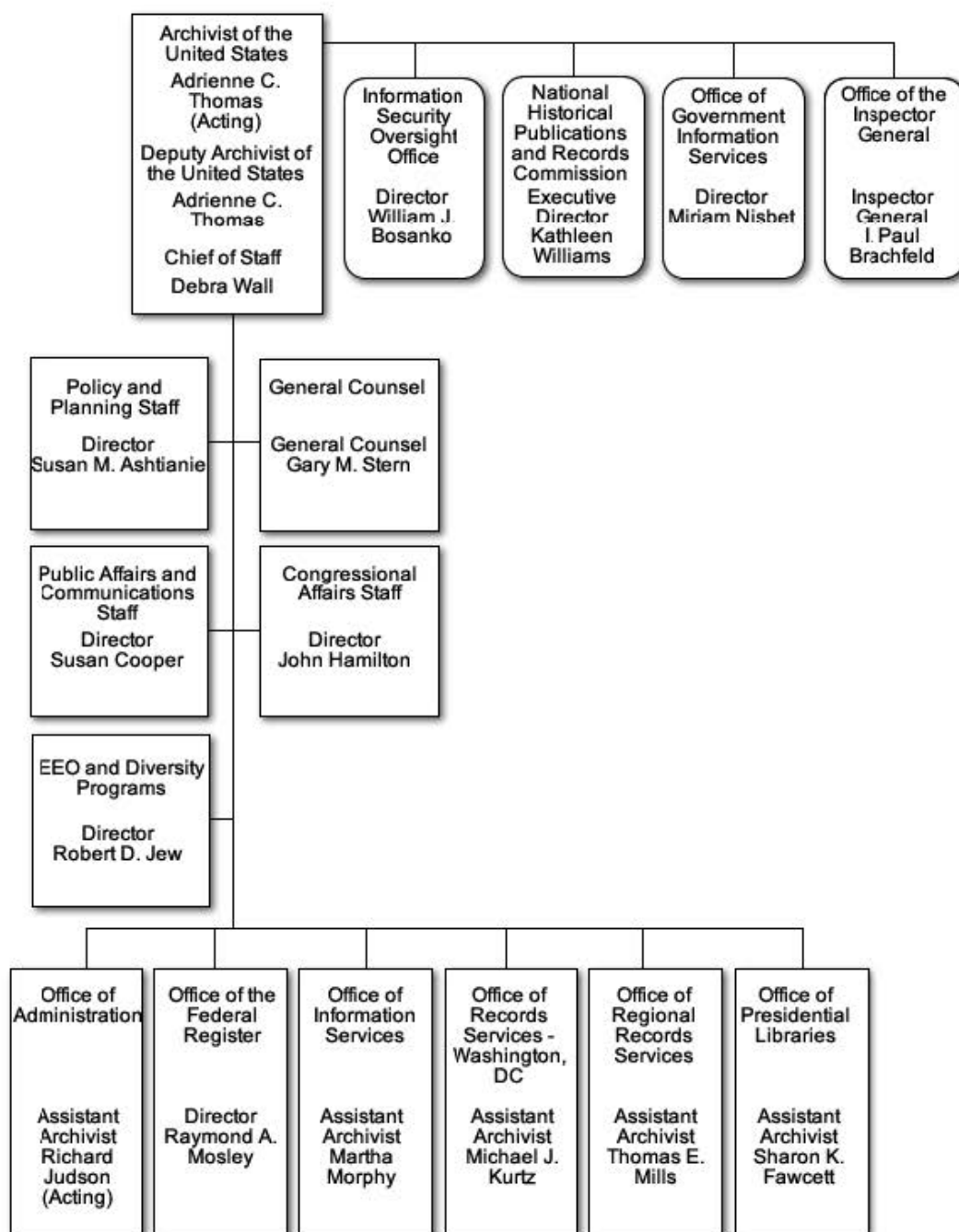


Figure 1. NARA's Organizational Structure (as of 9/30/09)

## An Overview of the Challenges Facing NARA

We at the National Archives and Records Administration (NARA) take seriously our job of serving the public. National and world events continually introduce new challenges to successfully fulfilling our mission. But, in the end, it's all about the records. However, our mission to safeguard and preserve the records of our Government and ensure access to this essential documentation remains constant. Some of the challenges we are working to address include:

- The Obama administration took office in January 2009 with a focus on increased openness and transparency in Government. The changes we make to meet this challenge with respect to records management affect not only our own work processes, but those of all Federal agencies.
- The security of the records we protect must be balanced with free and open access to the records. This is a continuing challenge as we consider how to best secure the physical records in an ever-changing variety of media, protect the integrity of their contents, and ensure that any restrictions on use are properly honored so that the records may be used promptly and easily now and in the future.
- And, like all Federal agencies, we face new and evolving concerns about security, continuity of operations, and emergency preparedness. Continuity of Federal operations depends on the records of Government. Protecting, recovering, and making these records available requires development and implementation of new, more flexible solutions.
- Because our mission includes ensuring access to records for Government officials and the American public, the new technological environment in which NARA operates places us squarely at the center of intergovernmental electronic records challenges. We face new kinds of records management issues raised by this continued growth and dependence on an electronic Government. To fulfill our leadership role in the electronic records environment, NARA is transforming from an agency that manages predominantly paper to an electronic-based focus.
- The preservation challenges that are a fact of life in an archival institution also are growing more complex, so we face new facility and technological challenges in preserving paper, electronic, special media, and artifacts.

While we search for solutions to complex challenges, we must also serve the daily needs of the Federal Government and the public. NARA plays a unique role in the safe, secure operation of our government and in preserving our democratic ideals. We cannot slow or stop our daily work to wait for longer term solutions.

- Daily publication of the *Federal Register* is critical because many of the actions that Executive departments and the President need to take (especially during an emergency situation) require the legal authority that comes from publication of this document.
- We protect the essential records of hundreds of Federal agencies and courts as well as the records of the Congress, the Supreme Court, and 13 Presidential administrations. All Federal records, from highly classified documents to

individual tax returns, are saved for as long as needed because the information they contain is essential to the effective operations of our government—to protect the rights and entitlements of our citizens, to understand past decisions and inform future policy choices, to hold appropriate officials accountable for their actions, and to ensure the safety and security of our country.

- We respond to more than one million requests a year for Official Military Personnel Files (OMPF). Many of these requests come from veterans, their families, or organizations working on behalf of veterans to verify their military service, apply for benefits, or research medical conditions. A veteran's ability to obtain a job, housing, or medical care often depends on our ability to meet information needs quickly.
- Not only do we protect electronic records, but we must ensure they can continue to be used, long after their native format has become obsolete. Today this essential function finds its most recent expression in NARA's development of the Electronic Records Archives (ERA), a system that will capture electronic information, regardless of its format, save it permanently, and make it accessible on whatever hardware or software is currently in use.

Some challenges are easily overcome and an organization can move on to the next one. Others require longer term solutions, or will remain through the life of the organization. In an appendix, NARA's Inspector General has identified ten challenges that are very similar to those identified by NARA management.



*Mark Whitmer and Leigh Lacy pose in front of the Declaration of Independence just after Mark proposed. (Photo by Earl McDonald)*

Twelve years after they first became an item, Matt Whitmer surprised his longtime sweetheart, Leigh Lacy, by proposing to her before hundreds of cheering visitors and staff in the National Archives Rotunda in Washington, DC. Matt popped the question at the site where they first kissed on an eighth-grade field trip—in front of the Declaration of Independence.

Hand in hand, the couple was in line to see the Charters of Freedom. When they reached the Declaration, Matt got down on one knee to propose and then shouted, "She said yes!" The crowd in the Rotunda roared in approval and applauded as the couple shared one more kiss in front of the Declaration. The couple first met in school in Springboro, a suburb of Dayton, Ohio. They now live in Atlanta, where Matt works for an advertising company and Leigh teaches seventh grade. They were married on July 11, 2009.

## Performance Highlights

### Using the National Archives and Records Administration in FY 2009

Every day, thousands of people use NARA's records and services in multiple ways. Among these people are educators and their students at all levels, a history-minded public, veterans and their families, family historians, the media, the archival community, Federal employees and the Congress, and a broad spectrum of professional associations and researchers in fields that include political science, law, history, library and information services, and genealogy. The following table displays some of the ways our users interacted with NARA in FY 2009.

	Researchers Microfilm	Researchers Other Records	Written Requests	Public Program Attendees	Exhibit/ Museum Visitors	Online Visits
Washington, DC, Area	15,530	52,421	27,478	46,343	991,430	—
Federal Register	—	—	713	227	—	—
<b>Office of Regional Records Services</b>						
Northeast Region (Boston)	2,117	4,626	2,494	3,832	5,831	—
Northeast Region (Pittsfield)	439	1,678	818	2,158	38	—
Northeast Region (New York)	780	4,147	3,481	9,397	349	—
Mid Atlantic Region (Philadelphia)	3,364	5,282	1,739	2,918	250	—
Southeast Region (Atlanta)	924	4,877	1,840	10,966	6,128	—
Great Lakes Region (Chicago)	821	1,511	3,958	1,158	922	—
Central Plains Region (Kansas City)	247	1,468	1,545	11,567	11,575	—
Southwest Region (Fort Worth)	733	1,910	3,403	18,370	0	—
Rocky Mountain Region (Denver)	305	3,222	506	1,462	0	—
Pacific Region (Laguna Niguel)	817	2,014	2,994	531	0	—
Pacific Region (San Bruno)	960	2,658	3,002	3,457	797	—
Pacific Region (Anchorage)	134	701	281	129	0	—
Pacific Alaska Region (Seattle)	860	2,363	1,281	2,356	51	—
National Personnel Records Center	515	1,783	1,314,217	1,810	300	—
<b>Regional Records Services Total</b>	<b>13,016</b>	<b>38,240</b>	<b>1,341,559</b>	<b>70,111</b>	<b>26,241</b>	<b>—</b>
<b>Presidential Libraries</b>						
Hoover	—	425	1,054	30,467	65,432	423,301
Roosevelt	—	1,468	2,326	27,559	115,305	839,081
Truman	—	825	2,983	42,614	76,909	2,508,213
Eisenhower	—	1,369	2,928	28,665	177,333	908,878
Kennedy	—	1,352	2,502	121,929	206,485	4,041,074
Johnson	—	1,543	3,092	37,736	234,974	1,323,950
Nixon	—	194	1,337	13,100	69,612	995,970
Ford	—	744	1,416	17,518	116,014	1,201,307
Carter	—	671	953	11,550	51,812	2,213,944
Reagan	—	677	454	106,916	336,647	1,773,759
Bush 41	—	287	852	85,780	142,142	430,909
Clinton	—	136	2,037	87,949	233,345	523,348
Bush 43	—	0	1,043	0	0	376,407
Other*	—	—	162	—	—	10,578
<b>Presidential Libraries Total</b>	<b>—</b>	<b>9,691</b>	<b>23,139</b>	<b>611,783</b>	<b>1,826,010</b>	<b>17,570,719</b>
<i>Archives.gov</i>	—	—	—	—	—	18,880,833
<i>Our Documents.gov</i>	—	—	—	—	—	1,018,693
<b>TOTAL</b>	<b>28,546</b>	<b>100,352</b>	<b>1,392,889</b>	<b>728,464</b>	<b>2,843,681</b>	<b>37,470,245</b>

\* Other covers general requests to the Office of Presidential Libraries and visits to Clinton websites hosted centrally.

## Performance Overview

We break down our strategic goals into long-range performance objectives and set annual targets and goals in our Annual Performance Plan each year. The following chart provides a synopsis of our FY 2009 performance. Highlights of some of this year's major accomplishments under each strategic goal follow the chart.

### Snapshot of 2009 Performance

<b>Strategic Goal 1: As the nation's record keeper, we will ensure the continuity and effective operations of Federal programs by expanding our leadership and services in managing the Government's records.</b>						
1.1: By 2012, 85 percent of senior Federal agency managers view their records management program as a positive tool for risk mitigation. 1.2: By 2012, 90 percent of customers are highly satisfied with NARA records management services. 1.3: By 2012, the Federal Records Center Program annually retains 98 percent of its customers. 1.4: Within 30 days of the end of an administration, 100 percent of Presidential and Vice Presidential materials have been moved to NARA locations or NARA-approved facilities. 1.5: By 2009, 100 percent of our Continuity of Operations Plans (COOP) meet the requirements for viability. 1.6: By 2009, NARA has established a supportive partnership with FEMA in the national response to emergencies in 100 percent of FEMA regions.						
Performance Indicator	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Target	2009 Actual
Percent of senior Federal agency managers who view their records management programs as a positive tool for risk mitigation	—	81	—	64	—	—
Percent of Federal agency customers that are satisfied with NARA records management services	57	78	81	81	85	81
Percent of customers retained by Federal Records Centers annually	—	—	100	100	98	100
Percent of NARA Continuity of Operations Plans that achieve viability	—	—	0	0	100	0
Percent of FEMA regions in which we have established a supportive partnership in the national response to emergencies	—	—	60	80	100	100
<b>Strategic Goal 2: We will preserve and process records to ensure access by the public as soon as legally possible.</b>						
2.1: By 2016, 85 percent of scheduled transfers of archival records are received at the scheduled time. 2.2: By 2016, 95 percent of archival holdings have been processed to the point where researchers can have efficient access to them. 2.3: By 2012, 90 percent of agency declassification reviews receive high scores as assessed by ISOO. 2.4: By 2016, NARA archival holdings of 25-year-old or older records are declassified, exempted, or referred under the provisions of Executive Order 12958, as amended. 2.5: By 2016, 100 percent of archival holdings are stored in appropriate space. 2.6: By 2009, 100 percent of NARA records center holdings are stored in appropriate space. 2.7: By 2016, less than 50 percent of archival holdings require preservation action.						
Performance Indicator	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Target	2009 Actual
Percent of archival records received at the scheduled time	—	—	—	—	20	21
Percent of archival holdings that have been processed to the point where researchers can have efficient access to them	—	—	21	30	40	41
Percent of agency declassification reviews that receive high scores as assessed by ISOO	—	—	—	36	51	53

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Percent increase in the number of pages completed in the National Declassification Initiative (NDI) process	—	—	—	—	10	150
Annual number Presidential pages scanned (in thousands)	563	506	512	519	500	545
Percent of NARA archival holdings in appropriate space	53	57	80	81	—	82
Percent of archival holdings that require preservation action	—	—	65	65	≤ 65	65
<b>Strategic Goal 3: We will address the challenges of electronic records in Government to ensure success in fulfilling NARA's mission in the digital era.</b>						
3.1: By 2016, 95 percent of archival electronic holdings have been processed to the point where researchers can have efficient access to them. 3.2: By 2012, 80 percent of archival electronic records are preserved at the planned level of service. 3.3: By 2016, the per-megabyte cost of managing electronic records decreases each year.						
<b>Performance Indicator</b>	<b>2005 Actual</b>	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Target</b>	<b>2009 Actual</b>
Percent of archival electronic accessions processed	80	80	81	86	80	88
Percent of NARA's electronic accessions stabilized in preparation for transfer to ERA	89	89	89	90	85	88
<b>Strategic Goal 4: We will provide prompt, easy, and secure access to our holdings anywhere, anytime.</b>						
4.1: By 2016, NARA customer service standards for researchers are met or exceeded. 4.2: By 2012, 1 percent of archival holdings are available online. 4.3: By 2016, 95 percent of archival holdings are described at the series level in an online catalog. 4.4: By 2012, our web sites score at or above the benchmark for excellence as defined for Federal Government web sites.						
<b>Performance Indicator</b>	<b>2005 Actual</b>	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Target</b>	<b>2009 Actual</b>
Percent of written requests answered within 10 working days.	96	97	95	94	92	95
Percent of items requested in our research rooms furnished within 1 hour of request or scheduled pull time.	98	96	86	93	93	93
Percent of Freedom of Information Act requests for Federal records completed within 20 working days.	82	87	88	89	87	86
Percent of online archival fixed-fee reproduction orders completed in 20 working days or less (35 working days pre-2007)	99	97	72	68	90	90
Percent traditional holdings in an online catalog	43	51	56	64	65	69
Percent artifact holdings in an online catalog	43	57	57	61	65	74
Percent electronic holdings in an online catalog	63	98	99	98	65	95
<b>Strategic Goal 5: We will increase access to our records in ways that further civic literacy in America through our museum, public outreach, and education programs.</b>						
5.1: By 2016, our museums score in the top 10 percent of all history museums nationally according to industry measures. 5.2: By 2016, 95 percent of exhibit, public outreach, and education visitors are highly satisfied with their visit experience.						
<b>Performance Indicator</b>	<b>2005 Actual</b>	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Target</b>	<b>2009 Actual</b>
Percent of education, public outreach, and exhibit visitors who are highly satisfied with their visit experience.	96	96	96	97	95	97



<b>Strategic Goal 6. We will equip NARA to meet the changing needs of our customers.</b>						
6.1: By 2016, 95 percent of employees possess the core competencies that were identified for their jobs. 6.2: By 2016, the percentages of NARA employees in underrepresented groups match their respective availability levels in the Civilian Labor Force (CLF). 6.3: By 2016, public network applications are available 99 percent of the time.						
<b>Performance Indicator</b>	<b>2005 Actual</b>	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Target</b>	<b>2009 Actual</b>
Percent of staff having performance plans linked to strategic outcomes	94	95	97	98	95	96
Percent of permanent staff having staff development plans linked to strategic outcomes	77	76	96	88	95	67
Percent of applicant pools for positions at grades GS-13 and above that contain people in underrepresented groups	95	87	76	91	92	77
Percent of public network applications availability	98.9	98.9	99.4	99.5	98.84	99.5

### *Goal 1: Managing the Government's Records*

We moved forward in implementing *Strategic Directions for Federal Records Management*, our roadmap to redesign Federal records management practices in the age of electronic records. Many of the initiatives of this plan are now standard practice across the Federal Government. In FY 2009, we examined the status of one of the redesign strategies – Flexible Schedules – and issued a report in which we analyzed nine Federal agencies that use flexible schedules to manage the disposition of their records. The report discusses areas such as planning and groundwork needed to develop a flexible schedule, motivation for employing a flexible schedule, training and outreach required, and the challenges and successes experienced. We also completed our effort to update and simplify Federal records management regulations and published the new regulations in the *Federal Register*.

We made progress in responding to the FY 2008 GAO audit on Federal Records Management of E-Mail (GAO-08-742) and the critique that NARA needed to carry out more oversight activities.

Because we had developed a body of electronic records management policy and guidance that could effectively support our statutory responsibilities around compliance, NARA developed a program for annual agency self-assessments, targeted inspections by

Torben Jenk of Philadelphia, PA, contacted the National Archives at College Park looking for a specific entry in the journal of Charles Mason and Jeremiah Dixon, the surveyors who established the Mason-Dixon Line. He was trying to find the location of Mason and Dixon's first Observatory for the Pennsylvania-Maryland Border. NARA staffer Patricia Anderson located the journal in NARA's vault, scanned the page Jenk needed, and sent it to him on a DVD.

"Now we can exactly define Mason and Dixon's Observatory for the historic record, and for the proposed historic marker to be installed before the 250<sup>th</sup> Anniversary in 2013," wrote Jenk. "Without your care, conservation, and sharing of these foundation documents, history would sink to hearsay."



*Torben Jenk examines historic maps and surveys of Philadelphia, including research on Mason and Dixon's Observatory. (Photo courtesy Torben Jenk)*

NARA staff, and reporting standards for making public our findings. Parts of this work were started in late FY 2008, and piloted and launched throughout FY 2009.

We worked to address the many challenges in getting agencies to schedule their electronic records systems by September 30, 2009, to meet the requirement in Section 207(e) of the E-Government Act of 2002. This Act imposes a statutory requirement for all Executive agencies to schedule their electronic information systems in existence since December 17, 2005. To assist with this effort, we offered several free electronic records scheduling workshops to agencies as well as other offers to partner with agencies.

The deployment of the Archives and Records Center Information System (ARCIS) was a major accomplishment this year. ARCIS is a tool designed to electronically manage records storage and improve efficiency of storage processes for temporary records stored in our Federal Records Centers. The final site scheduled for deployment was St. Louis in October 2009. With the deployment of ARCIS throughout the regions, our customers are able to submit electronic reference requests to those sites. We are working on additional system enhancements to improve administrative access and allow customers to



*On July 4, the National Archives regional facility in Morrow, GA, in partnership with the Department of Homeland Security's US Citizenship and Immigration Services, hosted a naturalization ceremony. Eighty-eight new citizens took the oath of allegiance to the United States. (Photo by Ashley Judy)*

electronically submit their transfer requests. ARCIS' deployment will also allow us to terminate several old systems that have become costly to maintain.

Throughout the last several years, we have worked closely with the White House and the Department of Defense to fully prepare for the transfer of the largest volume of electronic Presidential records in NARA's history. With the first shipment of Presidential records transferred in October

2008, our efforts culminated in the successful transfer of nearly 329 tons of George W. Bush Presidential records and artifacts from Washington, DC, to the temporary library site in Lewisville, Texas, on January 20, 2009. To date, all of the administration's unclassified electronic records have been ingested to our Executive Office of the President (EOP) instance of the Electronic Records Archives. The classified Presidential records transferred to NARA are secured in a legacy system until a classified instance of ERA is ready.

#### *Goal 2: Preserve and Process the Nation's Records*

We continue to aggressively address our backlog of unprocessed records. Archival processing involves a series of steps that establish physical and intellectual control of

records and culminates in describing records in our online catalog, making them easier and faster to locate for research. The processing backlog of textual and audiovisual records has grown over the decades. In addition, new processing challenges have arisen with the increasing number of electronic records accessions. Nevertheless, we continue to meet our targets while addressing the challenges.

The processing of Presidential records differs from processing Federal records because of requirements in the Presidential Records Act. We have implemented steps to simplify processes and have developed the capability to measure the impact of systematic processing at the libraries. In FY 2009, we made steady progress in the processing of our backlog of records; however, once the George W. Bush Presidential records are added to the count of holdings, the backlog will significantly increase. With the addition of new staff this year, we will continue to process holdings as quickly as possible.

We made progress in planning a National Declassification Center (NDC), a critical element in reforming the Executive Branch's declassification program. Working closely with staff of national security agencies and the intelligence community, NARA developed a concept of operations for a national center that would work collaboratively with agencies to efficiently and effectively manage the referral of classified equities between the various equity holders. The purpose of the NDC is to efficiently provide the public with as many declassified records as possible in the shortest time without jeopardizing national security.

For classified materials in the Presidential Library system, we continued our partnership with the Central Intelligence Agency (CIA) through our Remote Archives Capture (RAC) project. Our partnership involved working with the CIA and classifying agencies in the Government to declassify materials held in the Presidential Libraries. Using the RAC project as a vehicle to scan classified materials held by Presidential Libraries throughout the country, we expect to exceed our FY 2009 goal of scanning 500,000 pages of classified Presidential records eligible for declassification.

In FY 2009 we established the Controlled Unclassified Information (CUI) Office within ISOO in response to the Presidential Memorandum issued on May 9, 2008, designating NARA as the Executive Agent responsible for implementation of the CUI Framework. The CUI Office, working in collaboration with the CUI Council and interagency working groups, developed implementation guidance covering topics such as Dispute Resolution,





Safeguarding, Designation, Dissemination, to name a few. During this time, a Presidential Task Force was established to examine CUI and make recommendations to the President.

Our efforts to process records and make them available to the public resulted in the achievement of a major milestone this year—the opening of more than 15 million individual personnel files of former civilian employees dating from the mid-1800s

The Eisenhower Presidential Library and Museum's D-Day commemoration in June gave visitors an opportunity to both celebrate and mourn family members who served in WWII. During the event, a woman approached Library Director, Karl Weissenbach. Her eyes welled with tears as she explained that she had just lost her husband, a Normandy veteran, and that she had come to Abilene for closure. She hugged Karl and thanked him for organizing the event. This gratitude was expressed many times throughout the event by family members of other WWII veterans.



*World War II veterans and their families attend commemoration events marking the 65<sup>th</sup> anniversary of D-Day at the Eisenhower Library. (Photo courtesy Eisenhower Library)*

through 1951. This corpus of records adds to the collection of more than nine million military personnel files that are already available to researchers and other members of the public. These newly opened records included personnel records from famous figures such as Walt Disney, Ansel Adams, and Albert Einstein.

We continued efforts to work through GSA to upgrade our facilities to comply with 36 CFR 1228 Subpart K storage standards for Federal records. The upgrades for nine of our Federal Records Centers are in varying stages. The National Archives at Kansas City moved to a renovated building in the cultural district of Kansas City. We recently awarded a construction contract to make improvements to our Waltham facility and awarded design and construction contracts for our Seattle archival facility. We are moving forward with the design of a new National Personnel Records Center (NPRC) facility, now

scheduled for initial occupancy in 2011, and dedicated its new annex facility, an underground structure, in Valmeyer, IL. The facility will store nearly two million cubic feet of temporary civilian personnel records, postal money orders, and trans-shipments of regional records from other records centers.

### *Goal 3: Managing Electronic Records*

The Electronic Records Archives (ERA) is our cutting-edge system that captures electronic records and information, regardless of format, saves them permanently, and makes them accessible on whatever hardware or software is currently in use. This year, we achieved a major milestone in the deployment of the ERA system for Presidential records, enabling us to ingest and store the more than 70 Terabytes of unclassified electronic records of the Executive Office of the President (EOP) transferred at the end of the George W. Bush Administration. A smaller volume of classified and Federal electronic records are securely stored in standalone systems until they can be moved into ERA. The figure (next) shows the significant increase the Bush Administration records

made in NARA's total electronic holdings. We also made significant progress in developing the requirements and prototypes for online public access to the electronic records in ERA and examining the larger vision of how NARA holdings will be accessed online.

*Goal 4: Providing Access to Records*

We continually strive to make our holdings accessible to the public as soon as possible. One indication of the quality and interest in the information we provide is the number of visitors to our web sites – more than 37 million visits in FY 2009. Through partnerships and collaborative efforts, we continue to increase the number of digital records available to the public through our online catalog of NARA's nationwide holdings, the Archival Research Catalog (ARC). ARC contains more than 152,000 digital records, and 130 million records from our holdings are hosted online by our partners. We have partnered with Familysearch.org (GSU) to digitize the first 500,000 Civil War Widows Pension Certificates; we have multi-party projects digitizing the Homestead land entry files for Nebraska City and Lincoln; and, we are working with Footnote to digitize and describe various Holocaust Assets Records microfilm publications. These digital partnership projects are essential to augmenting our in-house ability to make holdings available online.

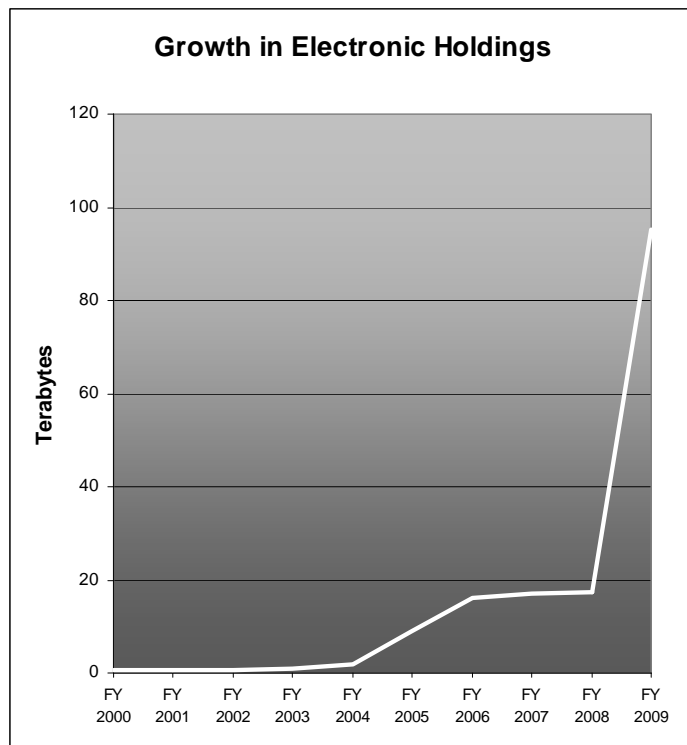


Figure 2. Growth in Electronic Records in NARA's Legal Custody

The Access to Archival Databases (AAD), a search and retrieval tool that provides online access to electronic records in databases, is now in its sixth year. At the end of FY 2009, it offered online access to 83.8 million "born" digital records from 58 electronic records series.

In addition, we adopted Web 2.0 and social networking as a way to deliver information to the public as soon as possible. We successfully launched social media and networking tools such as YouTube, Flickr, Twitter, and Facebook to reach new audiences, capture useful information, and receive timely feedback on our holdings.

We also augmented the physical Public Inspection Desk at the Office of the Federal Register with an electronic Public Inspection Desk where, for the first time in the 73-year history of the *Federal Register*, documents to be published the next day can be viewed by

anyone, anywhere, and anytime. We also converted the printed weekly set of Presidential documents into a new daily online *Compilation of Presidential Documents*, opening up these key primary resources to immediate access by the public.

We continued to provide outstanding customer service exceeding our FY 2009 targets in almost every area. To date, 95 percent of the written requests we received from customers were answered within 10 working days, exceeding our target of 92 percent. Ninety-three percent of the items requested in our research rooms were provided within one hour of the request, meeting our target. Eighty-six percent of Freedom of Information Act (FOIA) requests for Federal records were completed within 20 working days, nearly meeting our target of 87 percent. Ninety percent of the online orders we received were completed within 20 working days.

*Goal 5: Increasing Civic Literacy*

We celebrated our 75th anniversary in 2009 and engaged in a host of activities across the country to commemorate the 1934 establishment of the National Archives. We



*At the BIG! exhibit, visitors view a 21-foot-long drawing of the SS Leviathan, once the world's largest ocean liner. (Photo by Karen Hibbit)*

developed educational programs, public outreach activities, exhibits, and workshops to reach diverse audiences and share treasures from our vast holdings in an effort to promote civic literacy. We launched an exhibition called BIG! at which we featured big records, big events, and big ideas – in their original format in full scale – selected to remind us of the challenges and sacrifices experienced in building this country. Our commitment to civic literacy

has always extended beyond the walls of our archival facilities to touch the communities across the country. Sometimes our efforts include projects that go beyond the expected approaches to reach citizens in new ways, such as our partnership with New Jersey's Papermill Playhouse to support the play *1776* with our exhibit "Documenting Our Nation's Founding." We are open to new avenues to reach and serve American citizens as we seek to advance civic literacy.

Our Presidential Libraries continue to host robust museum, education, and public program offerings. The libraries share a common goal of educating the public about how government works and how Administration policy and programs are developed as shown in the records of our Presidents. In FY 2009, every Presidential Library held a series of national issues forums to engage community-based peaceful and deliberate discussions about difficult community challenges and their solutions. The Libraries also hosted a number of special exhibits including the highly popular "School House to White House" exhibit.

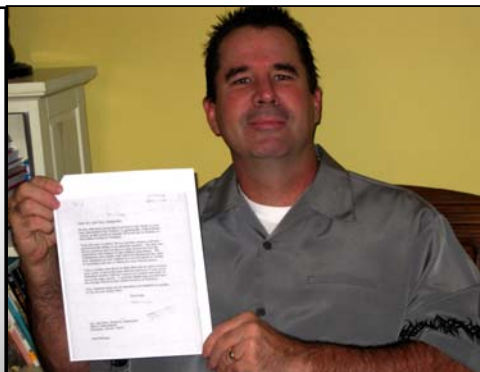
Our education team conducted numerous workshops and Learning Labs throughout the year for teachers and students, exposing this audience to the relevance of American history today while introducing students to the archival field through role play exercises and activities. We presented a program in partnership with the White House Historical Association, “The White House: Moving Out/Moving In;” we premiered the 90-minute PBS documentary film, “Legacy: Black and White in America;” and we hosted a special program about the creation and importance of the National Museum of American Jewish History.

*Goal 6: Developing our Infrastructure*

We completed and issued our new five-year Strategic Human Capital Plan. This plan provides direction for NARA’s most significant workforce management challenges and opportunities and is aligned to NARA’s Strategic Plan. The new plan offers five strategic human capital goals to recruit, develop and strengthen, and retain our human capital resources to achieve mission success. As we implement the strategies and activities to meet these goals, we will monitor performance results and assess our human capital programs, decisions, and actions.

Growing up, David Nelsen of Hendersonville, TN, did not know who his father was. His mother told him only that his father’s name was “Ken,” that he came from Honolulu, and that he had been in the National Guard. Through research, Nelsen found the man he believes to be his father—a soldier by the name of Wallace Kenji Matayoshi who died in Vietnam in 1966—but he did not know how to find Matayoshi’s family to confirm that the man was his father.

When a member of the armed services died during the Johnson administration, the President sent a condolence letter to the next of kin. Attached to the letter was usually a military form showing the next of kin. Nelsen contacted the Johnson Library, and an archivist there was able to give him a copy of the letter of condolence and the attached form showing the names of his grandparents. With this information, Nelsen had a starting point to search for his father’s family and confirm his heritage.



*David Nelson with a letter of condolence from President Johnson, originally sent to the family of the man he believes to be his father. (Photo courtesy David Nelson)*

**National Archives and Records Administration**  
Performance and Accountability Report, FY 2009

*Linking Our Budget to Our Objectives*

Our long-term objectives are tied directly to our budget. The chart on the next page illustrates, by strategic goal and long-term objective, the resources allocated to each of these goals. (The resources obligated to each of these goals are shown in figure 4 on p. 22.) The chart also links the major budget functions to each of our long-term objectives.

NARA Goals and Long-Term Objectives (\$ and FTE allocated to each Goal)	Records Services	Archives – Related Services	Electronic Records Archives	Revolving Fund	Trust Fund	NHPRC	Repairs & Restoration
<b>Goal 1: \$46,501,000 and 1,589 FTE</b>							
1.1: By 2012, 85 percent of senior Federal agency managers view their records management program as a positive tool for risk mitigation.	✓						
1.2: By 2012, 90 percent of customers are highly satisfied with NARA records management services.	✓						
1.3: By 2012, the Federal Records Center Program annually retains 98 percent of its customers.				✓			
1.4: Within 30 days of the end of an administration, 100 percent of Presidential and Vice Presidential materials have been moved to NARA locations or NARA-approved facilities.	✓						
1.5: By 2009, 100 percent of our Continuity of Operations Plans (COOP) meet the requirements for viability.	✓						
1.6: By 2009, NARA has established a supportive partnership with FEMA in the national response to emergencies in 100 percent of FEMA regions.	✓					✓	
<b>Goal 2: \$183,445,000 and 679 FTE</b>							
2.1: By 2016, 85 percent of scheduled transfers of archival records are received at the scheduled time.	✓		✓				
2.2: By 2016, 95 percent of archival holdings have been processed to the point where researchers can have efficient access to them.	✓						
2.3: By 2012, 90 percent of agency declassification reviews receive high scores as assessed by ISOO.	✓						
2.4: By 2016, NARA archival holdings of 25-year-old or older records are declassified, exempted, or referred under the provisions of Executive Order 12958, as amended.	✓						
2.5: By 2016, 100 percent of archival holdings are stored in appropriate space.	✓						✓
2.6: By 2009, 100 percent of NARA records center holdings are stored in appropriate space.				✓			
2.7: By 2016, less than 50 percent of archival holdings require preservation action.	✓						
<b>Goal 3: \$78,689,000 and 102 FTE</b>							
3.1: By 2016, 95 percent of archival electronic holdings have been processed to the point where researchers can have efficient access to them.	✓		✓				



**National Archives and Records Administration**  
Performance and Accountability Report, FY 2009

<b>NARA Goals and Long-Term Objectives</b> (\$ and FTE allocated to each Goal)	Records Services	Archives – Related Services	Electronic Records Archives	Revolving Fund	Trust Fund	NHPRC	Repairs & Restoration
3.2: By 2012, 80 percent of archival electronic records are preserved at the planned level of service.	✓		✓				
3.3: By 2016, the per-megabyte cost of managing electronic records decreases each year.			✓				
<b>Goal 4: \$50,412,000 and 274 FTE</b>							
4.1. By 2016, NARA customer service standards for researchers are met or exceeded.	✓						
4.2. By 2012, 1 percent of archival holdings are available online.	✓		✓				
4.3. By 2016, 95 percent of archival holdings are described at the series level in an online catalog.	✓		✓				
4.4. By 2012, our web sites score at or above the benchmark for excellence as defined for Federal government web sites.	✓				✓		
<b>Goal 5: \$23,638,000 and 191 FTE</b>							
5.1. By 2016, our museums score in the top 10 percent of all history museums nationally according to industry measures.	✓				✓		
5.2. By 2016, 95 percent of exhibit, public outreach, and education visitors are highly satisfied with their visit experience.	✓			✓	✓		
<b>Goal 6: \$38,287,000 and 184 FTE</b>							
6.1. By 2016, 95 percent of employees possess the core competencies that were identified for their jobs.	✓	✓	✓	✓			
6.2. By 2016, the percentages of NARA employees in underrepresented groups match their respective availability levels in the Civilian Labor Force (CLF).	✓	✓	✓	✓			
6.3. By 2016, public network applications are available 99 percent of the time.	✓	✓	✓	✓			

## Financial Highlights

Fiscal Year 2009 is the sixth year that NARA prepares and submits our consolidated financial statements to the Office of Management and Budget (OMB) and U.S. Congress in accordance with the Chief Financial Officers (CFO) Act, subject to the Accountability of Tax Dollars Act (ATDA) of 2002. The financial statements presented in this report have been prepared from NARA's accounting records in accordance with the generally accepted accounting standards prescribed for Federal entities by the Federal Accounting Standards Board (FASAB), and presentation standards prescribed by OMB Circular A-136, *Financial Reporting Requirements*.

### Sources of Funds

NARA's operations are funded through appropriated budget authority which includes annual, multi-year and no-year appropriations available for use within certain specified statutory limits. In addition, the National Archives Trust Fund, Gift Fund, and Revolving Fund revenues fund their respective operations.

FY 2009 budget authority from NARA's operating appropriation was \$460 million. We carried over \$26 million in multi-year and no-year funds available for obligation. Total appropriated budget authority for FY 2009 was \$486 million (see Figure 3).

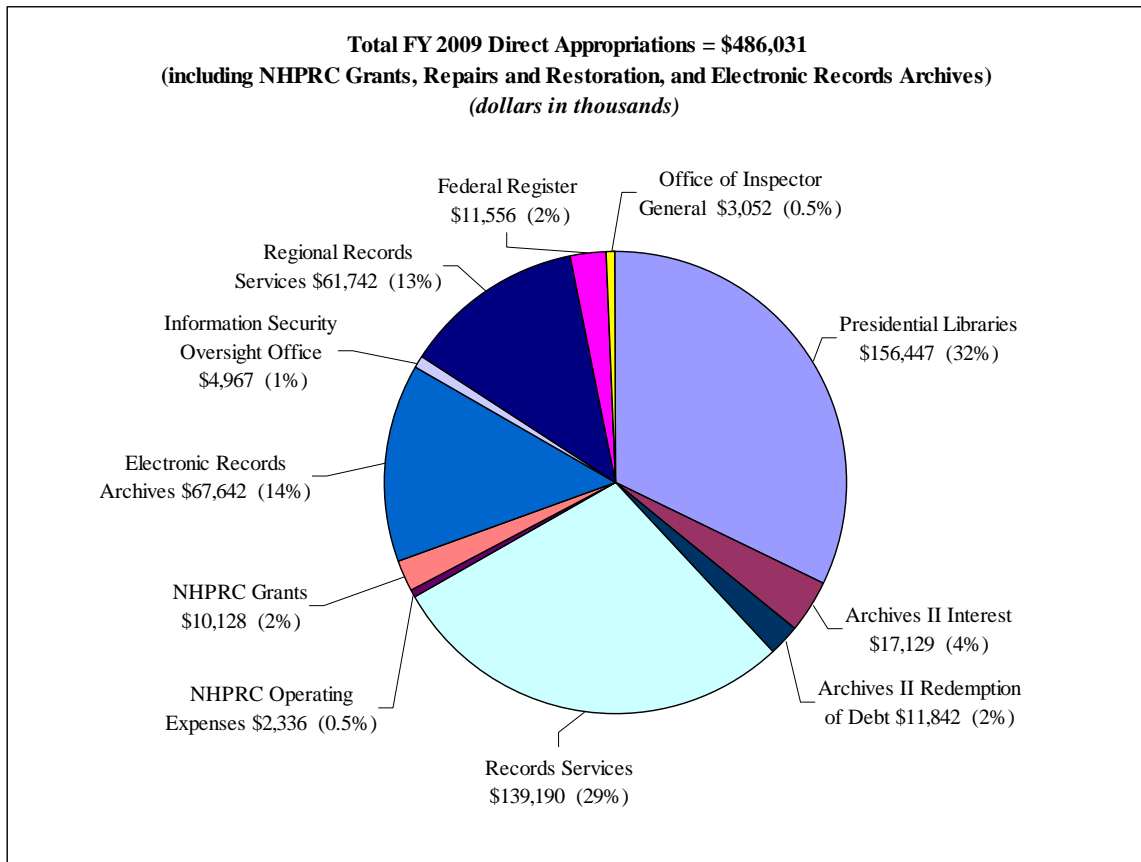


Figure 3. Appropriated Budget Authority, FY 2009

The major operating appropriation funds basic operations, comprising records services, archives-related services, and the redemption of debt, and associated interest, stemming from the construction of National Archives Building at College Park. Records services provides for selecting, preserving, describing, and making available to the general public, scholars, and Federal agencies the permanently valuable historical records of the Federal Government and the historical materials and Presidential records in Presidential Libraries; for preparing related publications and exhibit programs; and for conducting the appraisal of all Federal records. Archives-related services provides for the publications of the *Federal Register*, the *Code of Federal Regulations*, the *U.S. Statutes at Large*, and Presidential documents, and for a program to improve the quality of regulations and the public's access to them. The \$302 million cost of construction of the National Archives at College Park, which serves as a major archival facility as well as the center for NARA's administrative offices, was financed by Federally-guaranteed debt issued in 1989. Annually, the Archivist seeks appropriations for the payment of interest and redemption of that debt.

In addition to the general operating expenses appropriation, NARA receives other appropriations that are more specific. The Electronic Records Archives appropriation funds NARA's effort to ensure the preservation of and access to Government electronic records. The Repairs and Restoration appropriation funds the repair, alteration, and improvement of archives facilities to provide adequate storage for holdings. The National Historical Publications and Records Commission program provides grants to state, local, and private institutions to preserve and publish records that document American history. Figure 3 demonstrates the allotment of total available appropriated funds.

The National Archives Trust Fund and Presidential Library Trust Funds budget authority includes revenues generated from the sale of publications, museum shop sales, paper reproductions, audio visual reproductions, library admissions, educational conferences, and interest income. Expenditures are made for the cost of museum shop inventory, personnel, operational and financial systems, equipment, and reproduction supplies. The National Archives Trust Fund and Presidential Library Trust Funds earned revenue of \$18 million in FY 2009.

The Gift Fund's budget authority includes donations and interest earned on those gifts and endowments. It was established to administer incoming gifts and bequests for the benefit of, or in connection with, the archival and records activities of the National Archives and Records Administration. Expenditures are made for various programs, including historical research, conferences, archival and cultural events, and publications. In FY 2009, the gift fund received donations of \$2 million.

The Revolving Fund's budget authority includes revenue generated from the temporary Federal agency records stored in NARA service facilities. It provides storage, transfer, reference, re-file, and disposal services for a standard fee. The Revolving Fund earned revenue of \$152 million, after intra-entity eliminations in FY 2009.

### ***Uses of Funds by Function***

NARA incurred new general fund obligations of \$420 million in FY 2009. Of this, \$3.3 million is for reimbursable work. The chart below represents obligations by strategic goals.

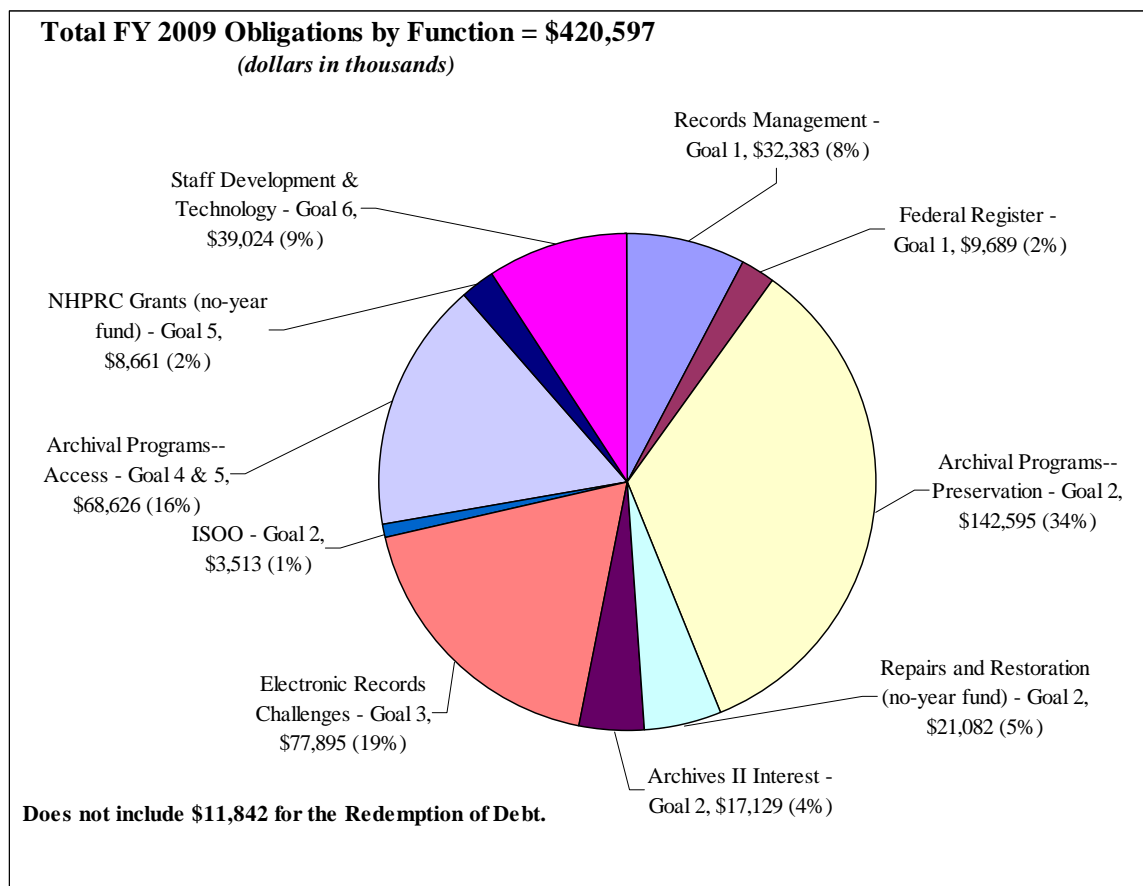


Figure 4. Obligations by Function, FY 2009

## Audit Results

NARA's FY 2009 financial statements were audited by Cotton and Co. under contract to NARA's Office of the Inspector General. NARA received an unqualified audit opinion on its FY 2009 and FY 2008 financial statements. The auditors identified two significant deficiencies – Information Technology and Property Management.

## Financial Statement Highlights

NARA's financial statements summarize the financial activity and financial position of the agency. The financial statements, footnotes, supplementary information, and supplementary stewardship information appear in Part III - Financial Section. An analysis of the principal statements follows.

## Limitations of the Financial Statements

The principal statements have been prepared to report the financial position and results of operations of NARA, pursuant to the requirements of 31 U.S.C. 3515 (b). While the statements have been prepared from NARA's books and records in accordance with generally accepted accounting principles (GAAP) for Federal entities and the formats

prescribed by the Office of Management and Budget, the statements are additional to the financial reports used to monitor and control budgetary resources, which are prepared from the same books and records. The statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity.

### *Analysis of the Balance Sheet*

**ASSETS:** NARA's assets were \$729.2 million as of September 30, 2009, an increase of \$53.6 million from the end of FY 2008. The majority of this increase resulted from an increase in the annual appropriations and capitalization of software in development costs for ERA project. The assets reported in NARA's balance sheet are summarized in the accompanying table.

<b>Asset Summary (in millions)</b>	<b>FY 2009</b>	<b>FY 2008</b>
Fund balance with Treasury and cash	\$ 256.9	\$ 213.1
General property, plant, and equipment, net	420.4	415.9
Investments	34.9	31.5
Accounts receivable, net	15.0	13.0
Inventory	1.0	1.1
Other	1.0	1.0
<b>Total assets</b>	<b>\$ 729.2</b>	<b>\$ 675.6</b>

The fund balance with Treasury and cash represents approximately 35 percent of total assets. Property, plant, and equipment constitute 58 percent of total assets, with the National Archives facility at College Park representing the greater part of the balance.

**LIABILITIES:** NARA's liabilities as of September 30, 2009, amounted to \$269 million. A decrease of \$9.2 million from the end of FY 2008 is due mainly to scheduled repayments of Debt held by the public during the year. The liabilities reported in NARA's balance sheet are summarized in the accompanying table.

<b>Liabilities Summary (in millions)</b>	<b>FY 2009</b>	<b>FY 2008</b>
Debt held by the public	\$ 193.9	\$ 205.9
Accounts payable	35.0	32.5
Other	41.0	40.7
<b>Total liabilities</b>	<b>\$ 269.9</b>	<b>\$ 279.1</b>

Debt held by the public accounts for approximately 71.8 percent of total liabilities and represents certificates of participation issued to the public through a trustee to cover the construction costs of the National Archives at College Park. Liabilities totaling \$216 million, or 80 percent of total liabilities, are unfunded, i.e., budgetary resources are not yet available as of September 30, 2009. For most unfunded liabilities, budgetary resources will be made available in the years balances are due, in accordance with OMB funding guidelines. The major elements of unfunded liabilities are \$193.9 million for

debt held by the public, \$12 million for workers' compensation, and \$10.1 million for unfunded annual leave.

**NET POSITION:** The difference between total assets and total liabilities is net position of \$459.3 million as of September 30, 2009. The net position reported in NARA's balance sheet is summarized in the accompanying table.

<b>Net Position Summary (in millions)</b>	<b>FY 2009</b>	<b>FY 2008</b>
Unexpended appropriations	\$ 193.4	\$147.7
Cumulative results of operations	265.9	248.8
<b>Total net position</b>	<b>\$ 459.3</b>	<b>\$396.5</b>

Net position is affected by changes in its two components—Cumulative Results of Operations and Unexpended Appropriations. Unexpended appropriations are the amount of authority granted by Congress that has not been expended. Cumulative results of operations reflect funding of capital needs of the agency since NARA's inception and net results of the revolving fund operations. The increase in net position of \$62.8 million from FY 2008 to FY 2009 comprises the increase in cumulative results of operations of \$17.1 million and an increase in unexpended appropriations of \$45.7 million. The overall increase is due mainly to the increase in budget authority in FY 2009 and the capital expenditures during FY 2009, of which ERA software development costs are the most significant.

### ***Analysis of the Statement of Net Cost***

The statement of net cost presents the net cost of NARA's six major programs. NARA's net cost of operations for the year ended September 30, 2009, is \$412.9 million. The increase of \$76.2 million in the net cost of operation is due largely to the higher operating costs, such as utilities and rent, and major restoration and improvements projects at the libraries; especially the Nixon, Carter, and Kennedy libraries in FY 2009, as well as operation and maintenance costs on the ERA segments already moved to production.

Net costs by program are shown in the accompanying table.

<b>Net Cost of Operations (in millions)</b>	<b>FY 2009</b>	<b>FY 2008</b>
Records and archives-related services	\$356.4	\$306.9
Trust and gift funds	(3.5)	(3.9)
Electronic records archives	17.6	9.9
National historical publications and records commission grants	6.4	5.5
Archives facilities and presidential libraries repairs and restoration	23.9	11.3
Records center storage and services	12.1	7.0
<b>Net cost of operations</b>	<b>\$ 412.9</b>	<b>\$336.7</b>

### ***Analysis of the Statement of Budgetary Resources***

The statement of budgetary resources presents the sources of budgetary resources and their status at the end of the period, as well as demonstrates the relationship of obligations to outlays. For FY 2009, NARA had budgetary resources available of \$716

million, an increase of 11.2 percent over \$644 million in FY 2008. The majority of the increase resulted from new budget authority.

### ***Debt Management***

The Bureau of Public Debt (BPD) and the General Services Administration (GSA) assist NARA with the management of employee debts. NARA contracts with GSA for payroll services. Under this cross-servicing agreement, GSA tracks employee debts and pursues delinquent debts from NARA employees through salary offset and administrative wage garnishment. NARA has a cross-servicing agreement with BPD for accounting services. In compliance with the Debt Collection Improvement Act of 1996, BPD actively pursues delinquent non-Federal claims and, upon request by NARA, transmits delinquent claims to the U.S. Department of the Treasury Financial Management Service (FMS) for collection cross-servicing.

### ***Erroneous Payments Management***

NARA does not have any high risk programs, as defined by OMB and the Improper Payments Information Act, or programs and activities that meet the \$10 million and 2.5-percent threshold established by the Office of Management and Budget as a definition of significant erroneous payments.

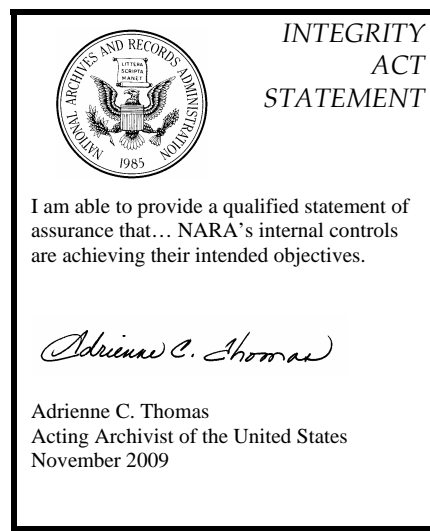
## Systems, Controls, and Legal Compliance

This section provides information about NARA's compliance with the

- Federal Manager's Financial Integrity Act
- Federal Information Security Management Act
- Federal Financial Management Improvement Act
- Prompt Payment Act
- Inspector General Act

### ***Federal Managers' Financial Integrity Act***

The Federal Managers' Financial Integrity Act mandates that agencies establish controls that reasonably ensure that (i) obligations and costs comply with applicable law; (ii) assets are safeguarded against waste, loss, unauthorized use, or misappropriation; and (iii) revenues and expenditures are properly recorded and accounted for. This act encompasses operational, program, and administrative areas, as well as accounting and financial management. It requires the Archivist to provide an assurance statement to the President on the adequacy of internal controls and conformance of financial systems with Government-wide standards. (See *appendix for NARA's FY 2009 FMFIA Report.*)



### ***Internal Controls Program***

NARA's internal controls worked to ensure the attainment of our mission and FY 2009 goals, maintain efficient operations, and reduce fraud and the misuse of taxpayer-provided resources. NARA managers submitted an annual assurance statement, along with an internal control plan, to the Acting Archivist of the United States at the end of the fiscal year. These statements were based on various sources and included

- Management knowledge gained from daily operation of programs
- Management reviews
- Program evaluations
- Audits of financial statements
- Reviews of financial systems
- Annual performance plans and periodic performance reporting to the Archivist



- Senior Staff reviews and briefings
- Internal oversight groups for agency programs
- Monthly reporting in NARA's Performance Measurement Reporting System
- Reports and other information provided by the congressional committees of jurisdiction.

### ***FY 2009 Internal Controls***

NARA evaluated its internal control systems for the fiscal year ending September 30, 2009. This evaluation provided reasonable assurance that, except for three material weaknesses, the agency's internal controls achieved their intended objectives. No material weaknesses in internal controls over financial reporting have been identified this year or in the past year by management assessments or the independent auditors. Pursuant to Section 2 of the Integrity Act, we identified a material weakness in our holdings security program in FY 2001. We have made progress in our actions to remedy the holdings security weakness, but still have substantive work to accomplish. In FY 2007, we declared a material weakness related to NARA's Information Technology (IT) Security Program. Based on the scope of that material weakness, sufficient work has been done to mitigate the risk and we will be monitoring this in FY 2010 as a significant deficiency. In FY 2008, we declared a material weakness in artifact inventory processes at our Presidential Libraries. New this year, we have added a material weakness in IT security specific to the misalignment of policy and contract language regarding the handling of personally identifiable information (PII) on NARA-owned storage devices, specifically hard drives. NARA will continue to address significant deficiencies in the areas of our preservation program and textual records processing. Details on the three material weaknesses are found in our Federal Managers' Financial Integrity Act Report in the appendix.



*A participant at a Genealogy Fair held at the National Archives Building in Washington, DC, seeks assistance with a research problem. (Photo by Jermaine Scott)*

### ***Federal Information Security Management Act***

The Federal Information Security Management Act (FISMA) requires Federal agencies to conduct an annual self-assessment review of their information technology security program, to develop and implement remediation efforts for identified security

weaknesses and vulnerabilities, and to report to OMB on the agency's compliance. This year's FISMA submission is required no later than November 18, 2009.

### ***Federal Financial Management Improvement Act***

As an Accountability for Tax Dollars Act (ATDA) agency, NARA is not subject to the requirements of FFMLA, per OMB bulletin #07-04, *Audit Requirements for Federal Financial Statements*.

### ***Prompt Payment Act***

As our financial service provider, the Bureau of the Public Debt processes payments for NARA in accordance with the Prompt Payment Act and submits quarterly prompt pay statistics on our behalf.

### ***Inspector General Act***

In FY 2009 NARA satisfied 2 percent of the remaining audit recommendations opened in audits between FY 2006 and FY 2008 (131 recommendations remain for closure), and 9 percent of audit recommendations opened during this fiscal year (excluding 18 recommendations that were issued on September 29 and 30). We are committed to resolving and implementing open audit recommendations presented in OIG reports. Section 5(b) of the Inspector General Act requires agencies to report on final actions taken on OIG audit recommendations. This information is included in the Archivist's transmittal of the OIG semi-annual report to Congress.



## Facilities

**National Archives Building**  
700 Pennsylvania Avenue, NW  
Washington, DC 20408  
202-357-5400

**National Archives at College Park**  
8601 Adelphi Road  
College Park, MD 20740  
301-837-2000

**Washington National Records Center**  
4205 Suitland Road  
Suitland, MD 20746  
301-778-1600

**Office of the Federal Register**  
Suite 700  
800 North Capitol Street, NW  
Washington, DC 20002  
202-741-6000

**NARA-Northeast Region**  
Diane LeBlanc,  
*Regional Administrator*

NARA-Northeast Region  
(Boston)  
380 Trapelo Road  
Waltham, MA 02452  
866-406-2379

NARA-Northeast Region  
(Pittsfield)  
10 Conte Drive  
Pittsfield, MA 01201  
413-236-3600

NARA-Northeast Region  
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201 Varick Street, 12th Floor  
New York, NY 10014  
212-401-1620

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NARA-Mid Atlantic Region  
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215-305-2000

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Morrow, GA 30260  
770-968-2100

NARA-Southeast Region  
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Dayton, OH 45439  
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8801 Kingsridge Drive  
Dayton, OH 45458  
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**NARA-Central Plains Region**  
R. Reed Whitaker,  
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NARA-Central Plains  
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Kansas City, MO 64108  
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200 Space Center Drive  
Lee's Summit, MO 64064  
816-288-8100

NARA-Central Plains Region  
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17501 West 98th Street, #31-50  
Lenexa, KS 66219  
913-825-7800

**NARA-Southwest Region**  
Preston Huff,  
*Regional Administrator*

501 West Felix St, Bldg 1  
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Fort Worth, TX 76115  
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1400 John Burgess Drive  
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817-551-2000

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Barbara Voss,  
*Regional Administrator*

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Denver, CO 80225  
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David Drake,  
*Acting Regional Administrator*

NARA-Pacific Region  
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Laguna Niguel, CA 92607  
949-360-2641

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23123 Cajalco Road  
Perris, CA 92570  
951-956-2000

**National Archives and Records Administration**  
Performance and Accountability Report, FY 2009

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650-238-3500

**NARA-Pacific Alaska Region**  
Candace Lein-Hayes,  
*Regional Administrator*

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206-336-5115

NARA-Pacific Alaska Region  
(Anchorage)  
654 West Third Avenue  
Anchorage, AK 99501  
907-261-7800

**NARA-National Personnel  
Records Center**  
Ronald Hindman, *Director*

NARA-National Personnel  
Records Center  
(Civilian Personnel Records)  
111 Winnebago Street  
St. Louis, MO 63132  
314-801-9250

NARA-National Personnel  
Records Center  
(Military Personnel Records)  
9700 Page Avenue  
St. Louis, MO 63132  
314-801-0800

**Herbert Hoover Library**  
Timothy G. Walch, *Director*  
210 Parkside Drive  
P.O. Box 488  
West Branch, IA 52358  
319-643-5301

**Franklin D. Roosevelt Library**  
Cynthia Koch, *Director*  
4079 Albany Post Road  
Hyde Park, NY 12538  
845-486-7770

**Harry S. Truman Library**  
Michael Devine, *Director*  
500 West U.S. Highway 24  
Independence, MO 64050  
816-268-8200

**Dwight D. Eisenhower Library**  
Karl Weissenbach, *Director*  
200 Southeast Fourth Street  
Abilene, KS 67410  
785-263-6700

**John Fitzgerald Kennedy  
Library**  
Thomas Putnam, *Director*  
Columbia Point  
Boston, MA 02125  
617-514-1600

**Lyndon Baines Johnson  
Library**  
Mark Updegrave, *Director*  
2313 Red River Street  
Austin, TX 78705  
512-721-0200

**Richard Nixon Presidential  
Library and Museum**  
Timothy Naftali, *Director*

Maryland Office  
8601 Adelphi Road  
College Park, MD 20740  
301-837-3290

California Office  
18001 Yorba Linda Blvd.  
Yorba Linda, CA 92886  
714-983-9120

**Gerald R. Ford Library and  
Museum**  
Elaine K. Didier, *Director*

Gerald R. Ford Library  
1000 Beal Avenue  
Ann Arbor, MI 48109  
734-205-0555  
Gerald R. Ford Museum  
303 Pearl Street, NW  
Grand Rapids, MI 49504  
616-254-0400

**Jimmy Carter Library**  
Jay E. Hakes, *Director*  
441 Freedom Parkway  
Atlanta, GA 30307  
404-865-7100

**Ronald Reagan Library**  
Duke Blackwood, *Director*  
40 Presidential Drive  
Simi Valley, CA 93065  
805-577-4000

**George Bush Library**  
Warren Finch, *Director*  
1000 George Bush Drive West  
P.O. Box 10410  
College Station, TX 77845  
979-691-4000

**William J. Clinton Library**  
Terri Garner, *Director*  
1200 President Clinton Avenue  
Little Rock, AR 72201  
501-374-4242

**George W. Bush Library**  
Alan C. Lowe, *Director*  
1725 Lakepointe Drive  
Lewisville, TX 75057  
972-353-0545

## Copies of This Report

This report is available on our web site at—

*[www.archives.gov/about/plans-reports/performance-accountability/](http://www.archives.gov/about/plans-reports/performance-accountability/)*

Links are provided to both the full report (Management's Discussion and Analysis [MD&A], Performance and Financial sections, and Other Accompanying Information) as well as the summary report (MD&A and auditor's report). Also located on that page are links to our Strategic Plan, annual performance plans, and past performance reports.

Copies of this report also may be obtained by electronic request via the form at—

*[www.archives.gov/contact/inquire-form.html](http://www.archives.gov/contact/inquire-form.html)*

or by writing to National Archives and Records Administration, Policy and Planning Staff, 8601 Adelphi Road, Room 4100, College Park, MD 20740-6001. Please specify whether you are interested in the summary report or the full report. Also, we welcome your comments on how we can improve this report for FY 2010. Please e-mail any comments to [Vision@nara.gov](mailto:Vision@nara.gov).

## Other Web Pages of Interest

**Reports, Strategic Documents, Messages from the Archivist:** Find the latest information regarding our mission, vision, and strategic initiatives.

*[www.archives.gov/about/](http://www.archives.gov/about/)*

**The National Archives Experience:** Participate in an interactive, educational experience about the power of records in a democracy.

*[www.archives.gov/national-archives-experience/](http://www.archives.gov/national-archives-experience/)*

**Archival Holdings:** Find records of interest in Washington, DC, the regional archives, and Presidential libraries.

*[www.archives.gov/research/arc/](http://www.archives.gov/research/arc/)*

**Presidential Libraries:** Explore the history of our nation through the leaders who helped shape the world.

*[www.archives.gov/presidential-libraries/](http://www.archives.gov/presidential-libraries/)*

**Public Documents:** By law, the U.S. Government Printing Office and the Office of the Federal Register at NARA partner to publish and disseminate the official text of Federal laws, Presidential documents, administrative regulations and notices, and descriptions of Federal organizations, programs and activities.

*[www.federalregister.gov](http://www.federalregister.gov)*

*[www.gpoaccess.gov/nara/](http://www.gpoaccess.gov/nara/)*

*[www.archives.gov/federal-register/](http://www.archives.gov/federal-register/)*

*[www.gpoaccess.gov/ecfr/](http://www.gpoaccess.gov/ecfr/)*

**Careers at NARA:** Review current job openings and learn how to apply.

*[www.archives.gov/careers/](http://www.archives.gov/careers/)*

**Visit NARA:** Learn how to prepare for a research visit, about facility hours and locations, and more.

*[www.archives.gov/research/](http://www.archives.gov/research/)*

**Prologue Magazine:** Keep up to date on NARA activities through its quarterly journal. View selected articles and subscribe online.

*[www.archives.gov/publications/prologue/](http://www.archives.gov/publications/prologue/)*



## SECTION 2

# PERFORMANCE SECTION

### Measuring and Reporting Our Performance

This annual performance report is based on the goals, strategies, and long-range performance objectives set forth in our 2006 Strategic Plan and the annual objectives in our FY 2009 Performance Budget. The following pages detail our performance on our FY 2009 objectives. Checked boxes indicate those we fully achieved. Those we did not fully achieve have open boxes with an explanation below. We also included relevant performance results and trend information. Our budget links to the report's performance goals. We received no aid from non-Federal parties in preparing this report.

We used four mechanisms to measure actual performance: (1) periodic management reviews, (2) formal audits of operations, (3) expansion and refinement of our performance measurement system, and (4) systematic sampling of measurement system effectiveness. For more than ten years, we have collected agency-wide data in our Performance Measurement and Reporting System (PMRS). This system allows us to define and consistently measure data critical to the analysis of our performance objectives. Every year we improve and expand the system further so that our strategic performance is measured using a balanced scorecard approach for tracking cycle times, quality, productivity, cost, and customer satisfaction for our products and services. This report also updates some of our prior year statistics that we corrected because of these improvements. These ongoing refinements indicate that this report, our annual plans, and our Strategic Plan are living documents and an integral part of our operations.

Our performance measurement system, which we continuously work to improve, takes advantage of web infrastructure to collect performance data from the more than 70 organizational units that send data to PMRS from all over the country. We also use robust, enterprise-level databases to store the data and generate reports, instead of high-maintenance desktop databases previously used. As a result, we are able to collect our performance data more consistently and more efficiently and store much more data for use in analyzing trends. We have leveraged this technology and operationally integrated data collection to create a performance measurement database that serves the entire agency and is the single strategic performance data source for the agency.

Our program management system (PROMT) helps us control the cost and schedule for the Electronic Records Archives (ERA) program and other programs. PROMT integrates several commercial off-the-shelf program management tools in a Windows-based web environment to help us schedule and link project activities, assign resources, collect and report costs, calculate earned value, and analyze impacts and risks to the ERA program. PROMT incorporates an EIA-748 compliant tool that meets Office of Management and Budget (OMB) and Government Accountability Office (GAO) requirements for calculating earned value.

## FY 2009 Performance by Strategic Goal

### ***Strategic Goal 1: Our Nation's Record Keeper***

*As the nation's record keeper, we will ensure the continuity and effective operations of Federal programs by expanding our leadership and services in managing the Government's records*

#### **Long-Range Performance Targets**

- 1.1 By 2012, 85 percent of senior Federal agency managers view their records management program as a positive tool for risk mitigation.
- 1.2 By 2012, 90 percent of customers are highly satisfied with NARA records management services.
- 1.3 By 2012, the Federal Records Center Program annually retains 98 percent of its customers.
- 1.4 Within 30 days of the end of an administration, 100 percent of Presidential and Vice Presidential materials have been moved to NARA locations or NARA-approved facilities.
- 1.5 By 2009, 100 percent of our Continuity of Operations Plans (COOP) meet the requirements for viability.
- 1.6 By 2009, NARA has established partnerships with FEMA to support 100 percent of its regions in the national response to emergencies.

**FY 2009 Resources Available to Meet This Goal:** \$46,501,000; 1,589 FTE

#### 1.1 FEDERAL RECORDS MANAGEMENT

##### **FY 2009 Objectives**

- ☒ Analyze survey results to assess the views of senior Federal agency managers about their records management programs as positive tools for risk mitigation.
- ☐ Conduct one records management study.
- ☐ Establish baseline for CFO and selected agencies' critical functions covered by records schedules.
- ☒ Develop methodology and process for conducting and reporting records management oversight activities.



**Results**

- ✓ We investigated online survey tools as a potential method to improve survey response rate.
- ✓ We developed the methodology to conduct a records management study on the evolution of the web in Federal agencies and the effects on recordkeeping.
- ✓ We identified CFO Act and selected other agencies for an exercise to review critical functions in agency records schedules.
- ✓ We developed a methodology to conduct records management oversight, and implemented and disseminated a Federal agency self-assessment tool to assist us in understanding the state of Federal agencies' records management programs.

*Discussion* NARA's *Strategic Directions for Federal Records Management* is our plan for creating relationships with agencies that advance records management as a part of the Government's mission. Our guidance, training, and assistance to agencies focus on using records management to effectively support agency business processes and mitigate risk to agency programs. We conducted surveys in FY 2006 and FY 2008, initially directed at Chief Information Officers, and later expanded to include General Counsels and Chief Financial Officers within a select group of agencies. Although the feedback we received has been invaluable, we were unable to statistically validate the findings due to low survey response rates. In FY 2009 we considered alternative data collection methods to improve response rates and investigated using an online hosted survey.

In FY 2008, GAO conducted an evaluation of NARA and issued a report (GAO-08-742) titled "Federal Records—National Archives and Selected Agencies Need to Strengthen E-Mail Management." The purpose of GAO's study was to evaluate and understand practices agencies follow to identify and manage e-mail that meets the criteria of a Federal record. In this report, GAO recommended that NARA exercise its statutory authority, as defined in the Federal Records Act, and implement oversight mechanisms to ensure that agencies follow records management guidelines when managing their e-mail records. In response to GAO's recommendations, we developed a methodology and a process for conducting and reporting oversight activities on Federal agencies' records management programs. Part of this methodology requires Federal agency records officers to conduct a mandatory self-assessment where they document the condition of their records management programs. Working with input from agency focus groups, we developed guidance documents for conducting general records management self-assessments and approaches for reviewing and scoring agency programs. The guidance includes key triggers to alert us to agency programs that may require detailed inspections. We expect that the self-assessments will provide pertinent information on records management programs and risk mitigation, allowing us to replace the Federal agency bi-annual survey with data gathered through the self-assessments.

NARA revised and reorganized the existing regulations on Federal records management to update records management strategies and techniques. We also revised the regulation

to incorporate plain language to make the regulations easier to read, understand, and use. The regulations will become effective in early FY 2010.

Also during this year, we developed the methodology to conduct a records management study to understand the evolution of the web in agencies and its impact on recordkeeping. We will examine new technologies such as wikis, blogs, and other types of social media to identify different ways in which agencies may create records.

Finally, in an effort to ensure that the most critical records of agencies are safeguarded and preserved, we will conduct an exercise that targets specific CFO Act agencies. We have identified the agencies and we will identify three to eight critical agency functions per targeted agency to validate coverage in records schedules.

<b>Performance Data</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<i>Performance target for percent of senior Federal agency managers who view their records management programs as a positive tool for asset and risk management.</i>	—	—	<i>Establish baseline</i>	—
Percent of senior Federal agency managers who view their records management programs as a positive tool for risk mitigation.	81*	—	64	—
<i>Performance target for CFO critical functions covered by records schedules.</i>	—	—	—	<i>Establish baseline</i>
Percent of CFO critical functions covered by records schedules.	—	—	—	—

*\*The FY 2006 survey was limited to Chief Information Officer responses. The FY 2008 survey included General Counsels, Chief Financial Officers, and Chief Information Officers.*

**FY 2010 Performance Plan Evaluation** We will implement our methodology and process for conducting records management oversight activities for Federal agencies and report the results of our oversight to OMB and Congress.

## 1.2 NARA RECORDS MANAGEMENT SERVICES

### **FY 2009 Objectives**

- ☒ Increase by 10 percent the number of records management training participants who are taking a NARA records management course for the first time.
- ☐ 85 percent of Federal agency customers are highly satisfied with NARA records management services.
- ☒ Identify and implement distance learning techniques most effective for NARA to expand customer base.
- ☐ 75 percent of all agencies have registered schedules with NARA covering all existing electronic information systems.

## Results

*"I will go back to the office and discuss records!"*

- ✓ We nearly tripled the number of records management training participants taking a NARA records management course for the first time.
- ✓ Eighty-one percent of our Federal agency customers are highly satisfied with NARA records management services.
- ✓ We selected webinars and video-conferencing delivery systems as effective distance learning techniques to expand our customer base.
- ✓ Thirty percent of all agencies have registered schedules with NARA covering existing electronic information systems.

*Discussion* NARA's ability to provide agency records managers and records management staff with tools to assist them in identifying and managing their records is critical to ensuring that important records documenting the rights of citizens, the actions of the Federal Government, and information of historical relevance, is not lost. We strive to increase the Government's records management resources by identifying and tackling records management challenges particular to the Federal Government, and by training and certifying records managers throughout the Federal Government. Our National Training program broadened its reach in 2009; we tripled the number of first-time training participants over last year. We attribute this significant growth to the number of new participants accessing our online courses. In addition, the overall number of Federal agency staff trained in records management and electronic records management exceeds 12,000, a 91 percent increase from the number trained last year. More than 1,100 people have received professional records management certification since 2005.

Every two years, we survey our Federal agency customers to determine their satisfaction with our records management services. Our success in providing agencies with the records management tools they need is the basis for evaluating our service to the Federal Government. This year we designed our survey to obtain information on agency familiarity and satisfaction with our records scheduling and appraisal services. We used survey software and received feedback from 40 percent of our target audience. Preliminary findings suggest that 81 percent of respondents are satisfied with the records management services we provide to agencies. However, customers remain concerned with the length of time it takes to process records schedules.

NARA's National Records Management Training Program continues to pursue training venues that support customers in remote locations or those unable to attend our traditional workshops. In FY 2007 we piloted the *Basic Records Operations* and *Vital Records* curricula using a web-based delivery system. Based on the success of the pilot, we continued to expand distance learning course offerings and adapted *RM for IT Professionals* in FY 2009.

We continue to work with agencies to address electronic records issues. In FY 2008 we re-issued a bulletin that directed agencies to schedule by September 30, 2009, all their electronic records and systems that existed since December 17, 2005. We offered workshops and consulting assistance to agencies and worked with the Federal Records

Council to collect data from key agencies. Despite our efforts, input from the agencies reflect continued low rates of scheduling electronic systems. We anticipate the upcoming use of NARA's mandatory Federal agency self-assessment tool will influence agencies' efforts to increase their electronic records and systems scheduled.

<b>Performance Data</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<i>Performance target for percent increase in the number of Federal agency customers that are satisfied with NARA records management services.</i>	—	10	10	—	10
Percent of Federal agency customers that are satisfied with NARA records management services.*	57	78	81	81	81
<i>Performance target for percent increase in the number of records management training participants who are taking a NARA records management course for the first time.</i>	10	10	10	10	10
Percent increase in the number of records management training participants taking a NARA records management course for the first time.	142	39	43	20	198
Percent of records management training participants taking a NARA records management course for the first time.	32	35	42	40	63
Number of records management training participants who are taking a NARA records management course for the first time.	1,069	1,484	2,122	2,553	7,612
Number of Federal agency staff receiving NARA training in records management and electronic records management.	3,366	4,234	5,047	6,318	12,079
Number of records management training participants that NARA certified this year.	45	275	269	310	242
Median time for records schedule items completed (in calendar days).	372	334	284	315	302
Average age of schedule items completed (in calendar days).	339	374	452	443	416
Number of schedule items completed.	4,248	3,884	2,983	3,282	3,223
Number of open schedules in the backlog.	379	362	432	579	1,015

*FY 2010 Performance Plan Evaluation* We will continue to look at ways to attract more first time participants to our records management training programs. We plan to increase the number of courses offered through distance-learning techniques to broaden our customer base and draw in first time participants. We will analyze, prioritize, and implement recommendations identified from surveys of our existing Federal agency customers to understand their satisfaction with NARA records management services.

### 1.3 FEDERAL RECORDS CENTER PROGRAM

#### **FY 2009 Objectives**

- ☒ Increase the number of cubic feet stored by the Federal Records Center Program (FRCP) by 1 percent.
- ☒ Make ready 97 percent of Federal agency reference requests within the promised time.

- ☐ Answer 80 percent of written requests to the National Personnel Records Center (NPRC) within 10 working days.
- ☒ Rollout the Archives and Records Center Information System (ARCIS) to more than 90 percent of all Federal Records Centers nationwide.
- ☒ Establish baseline customer satisfaction with National Personnel Records Center services.

## Results

- ✓ The Federal Records Center Program experienced a 2.4 percent volume increase in its holdings.
- ✓ We provided 97 percent of reference requests to Federal agency customers within the promised time.
- "The promptness of receiving my requested information was fantastic."* ✓ Our customers received answers to 69 percent of their written requests to the National Personnel Records Center within 10 working days.
- ✓ We successfully deployed ARCIS to more than 90 percent of our Federal Records Centers throughout the country.
- ✓ Eighty-five percent of our customers are satisfied with the National Personnel Records Center's handling of their requests for military records.

*Discussion* NARA's reimbursable Federal Records Center Program (FRCP) plays a vital role in the lifecycle of Federal records. Federal agency customers have access to a host of services designed to assist them with the transfer, storage, and service of their non-current records. In FY 2009, we experienced a 2.4 percent increase in the annual volume of records stored this year. Efforts to market our Federal Records Center Program products and services, conduct outreach activities, and offer courses in *Basic Records Operations* have been successful in maintaining a steady rate of growth in our annual volume of records stored in FRCs. Changes in volume do not always reflect retirement of agency records to the FRC, but can also vary because records previously prohibited from disposal due to a court order, for example, become eligible for disposal. However, taken together with stable customer retention, we view increasing volume as a positive indicator for business. The FRCP retained 100 percent of its customers in FY 2009, and met the target to make ready Federal agency reference requests within a 24-hour period.

We fell short of our target to respond to written requests to the National Personnel Records Center within ten working days. We experienced delays in our response times to written requests to the National Personnel Records Center due to several factors. In the past two years, the number of requests increased by 19 percent with an average 23,000 requests per week. In addition, staff previously dedicated to one facility were

required to service requests from two locations, as we moved records from the old Civilian Personnel Records building to the new National Personnel Records Center annex in Valmeyer, IL. Although we adjusted our resources to manage demand, the combination of these factors affected overall performance.

The accuracy and timeliness of our responses are very important to veterans and their families. In the late 1990s our slow rate of response led to close scrutiny of NPRC by the Government Accountability Office (GAO). We developed new work processes, new information systems, and improved customer service. Between 2001 and 2008, we reduced our response time from 89 working days down to 11. Recently our response times for military personnel records have been increasing. We average 17.5 working days for military requests. We have set a target to specifically focus on military personnel records and reduce the response time to 10 working days or less by 2012.

The Archives and Records Center Information System (ARCIS) is a system designed to electronically manage records storage and improve the efficiency of storage processes in Federal records centers. It supports streamlined business processes and at full implementation will allow customers to receive real-time, web-enabled access to their holdings and transaction information. We made substantial progress in the deployment of ARCIS during FY 2009. We implemented ARCIS at all regional locations with the exception of the NPRC in St. Louis, scheduled for early FY 2010. Proper management of our storage areas is key to ensuring that records in our FRCs remain accessible when needed.

<b>Performance Data</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<i>Performance target for percent of customers retained by Federal Records Centers annually.</i>	—	—	98	98	98
Percent of customers retained by FRC's annually.	—	—	100	100*	100
Number of customers (agreements) served annually.	—	—	142	250	250
Number of new customers (agreements) per year.	—	—	3	0	0
<i>Performance target for percent increase in cubic feet of holdings stored by Federal Records Center Program.</i>	—	—	—	1	1
Percent increase in cubic feet of holdings stored by Federal Records Center Program.	—	2	2.1	3.5	2.4
<i>Performance target for percent of customers satisfied with NPRC services.</i>	—	—	—	—	<i>Establish baseline</i>
Percent of customers satisfied with NPRC services.	—	—	—	—	85
<i>Performance target for percent of Federal agency reference requests ready within the promised time.</i>	95	95	95	96	97
Percent of Federal agency reference requests ready within the promised time.	97	98	97	97	97
<i>Performance target for customers with appointments for whom records are waiting at the appointed time.</i>	99	99	99	99	99
Percent of customers with appointments for whom records are waiting at the appointed time.	99.4	99.8	99.9	99.9	99.9
<i>Performance target for percent of written requests to the National Personnel Records Center answered within 10 working days.</i>	—	—	75	75	80
Percent of written requests to the NPRC answered within 10 working days.	59	67	65	74	69
Number of written requests to the NPRC answered within 10 working days (in thousands).	606	739	740	854	845
Number of written requests for civilian records to the	162	179	174	167	94

<b>Performance Data</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
NPRC answered within 10 working days (in thousands).					
Number of written requests for military records to the NPRC answered within 10 working days (in thousands).	444	559	566	687	751
Number of written requests to the NPRC answered (in thousands).	1,031	1,110	1,139	1,216	1,314
<i>Performance target for requests for military service separation records at the NPRC answered within 10 working days.</i>	95	95	95	–	–
Percent of requests for military service separation records at the NPRC answered within 10 working days.	88	91	90	95	95
Number of military service separation records (DD-214) requests answered (in thousands).	352	442	475	506	574
Percent of requests for all military service records at the NPRC in St. Louis answered within 10 working days.	52	61	59	72	70
Average price per request for military service separation records.	\$29.70	\$29.70	\$29.70	\$30.10	\$31.70

*\*In FY 2007, the customer count excluded customers with annual billings less than \$10K. In FY 2008, the bar was lowered and customer count includes customers with annual billings in excess of \$5K.*

**FY 2010 Performance Plan Evaluation** We will work to improve our customer service by increasing the percent of times we have agency reference requests ready within the promised time. We will provide answers to written requests to the National Personnel Records Center within 10 working days. We will expand ARCIS to include integration of retrieval tools for military and civilian personnel and medical records in the National Personnel Records Center, improved reporting capabilities and an enhanced customer portal. In FY 2010 our new Strategic Plan calls for us to begin new measurement in transactions performed.

#### 1.4 PRESIDENTIAL TRANSITIONS

##### **FY 2009 Objectives**

- ☒ Hire remaining complement of staff for George W. Bush Presidential Library.
- ☒ Occupy temporary facility for George W. Bush Administration records.
- ☒ Transfer 100 percent of George W. Bush Administration Presidential and Vice Presidential records and artifacts to NARA.

##### **Results**

- ✓ The George W. Bush Library became an official organizational unit within NARA with a full complement of staff.
- ✓ We leased and occupied a temporary facility in Lewisville, TX, to house the holdings and artifacts of the George W. Bush Administration.
- ✓ We successfully planned and executed the transfer of records and artifacts documenting the Presidential administration of George W. Bush

from the White House to NARA.

*Discussion* On January 20, 2009, NARA became the legal custodian of the records and artifacts documenting the Presidential Administration of George W. Bush. With the volume of records, both in paper and electronic form, significantly higher than all previous collections of Presidential records, we began the move of records in October 2008. With the assistance of the Department of Defense, we successfully transferred nearly 740,000 pounds of records and artifacts to the George W. Bush temporary library site in Lewisville, TX. We will transport several artifacts in early FY 2010 due to the time needed to design and build customized crates and complicated housing for safe and secure shipment to the temporary library.

During this year, we augmented the staff at the George W. Bush temporary library. We hired archivists and museum professionals to undertake the complex work required to review and process Presidential records and other materials to ensure that these records are available to the public in a timely manner.

The unclassified electronic records from the George W. Bush Administration were ingested in our Electronic Records Archives (ERA), Executive Office of the President (EOP) release, and are being used for NARA searches for special access requests. A smaller volume of classified and Federal records transferred by the EOP are secured in standalone systems until they can be brought into ERA.

#### 1.5 CONTINUITY OF OPERATIONS

##### **FY 2009 Objectives**

- ☐ 100 percent of our Continuity of Operations Plans (COOP) meet the requirements for viability.
- ☒ Manage 100 percent of the documents submitted for publication in the Federal Register using eDOCs.
- ☐ Complete re-badging of NARA Federal employees to meet Federal Government standards.
- ☒ Complete installation of Federal Information Processing Standard (FIPS) 201 compliant access control system in Washington, DC.
- ☒ Identify and make accessible NARA's vital records that support continuation of essential functions and recovery to normal operations.
- ☐ Acquire, install, and achieve operational functionality of all required interoperable communication capabilities for continuity operations at primary and alternate facilities.

##### **Results**

- ✓ We identified and documented the vital records



needed to continue essential functions and resume normal operations in our continuity plan.

- ✓ We continue to electronically manage 100 percent of the documents submitted for publication in the Federal Register through our Electronic Editing and Publishing system (eDOCS).
- ✓ We issued credentials to more than 85 percent of NARA employees to meet Federal policy.
- ✓ We replaced identification card readers in our National Archives in Washington, DC facility to comply with federal standards for access control.
- ✓ We uploaded and tested our vital records plan at our COOP site in West Virginia to ensure that records needed to perform NARA's mission essential functions are available.
- ✓ We acquired mobile communications capabilities to support in transit communication of senior leadership during a continuity event.

*Discussion* Continuity of Operations Plans (COOP) are required to ensure that agencies and facilities can continue to perform essential functions under a broad range of circumstances. The requirements for viability of these plans are spelled out in Federal Continuity Policy and include ongoing exercises of the plans and frequent assessments. This year, we identified NARA's vital records necessary to continue essential functions and resume normal operations throughout all phases of a continuity situation. We conducted an internal survey to identify vital records related to mission essential functions throughout the agency and used this data to develop NARA's Vital Records Plan. We tested the efficacy of this plan during a COOP exercise to simulate responses and coordination in emergency situations. To maintain an effective vital records program, our plan incorporates periodic updates to ensure that vital records are reliably current, available, and accessible during an emergency. In addition, we made significant headway in identifying the order of succession in an emergency situation. We have identified orders of succession for our senior staff and mission essential personnel in the Washington, DC, area and continue to identify orders of succession for regional and field personnel.

Additionally, we made substantial progress in documenting procedures to contact and account for all employees in the event of an emergency. We drafted policies to efficiently gather and maintain emergency contact information and acquired a messaging system for employees and stakeholders to contact the agency and obtain information or report their status through an automated process.

Federal Continuity Policy requires that we ensure the availability and redundancy of critical communication capabilities at alternate sites in the event of a disaster or threat that may adversely affect the performance of Government's National Essential Functions (NEF). All agencies that support National Essential Functions are required to maintain

communication capabilities at their headquarters location as well as at an alternate site. NARA's responsibility to publish Presidential and Federal Government documents in the *Federal Register* is a mission essential function that supports an NEF. In FY 2009, we achieved several milestones to ensure critical communication capability at primary and alternate facilities. We acquired all necessary mobile communications capabilities required to support agency senior leadership while in transit to alternate operating facilities, and we trained continuity personnel in the use of communications equipment and information technology systems required during a continuity event.

We experienced delays in implementing communications requirements to support continuation of agency mission essential functions at both the National Archives in College Park, MD, and at our alternate site in Rocket Center, WV. At our alternate facility, we established user accounts and trained operators on secure networks to ensure the facility is mission capable under all but catastrophic conditions that would cause a complete loss of all redundant wire, wireless, and data networks connectivity. We anticipate completion at both facilities in FY 2010.

Homeland Security Presidential Directive 12, *Policy for a Common Identification Standard for Federal Employees*, requires all Federal agencies to issue Federal Identity Cards (FICs) that comply with the standards contained in FIPS 201-1. This year more than 85 percent of NARA employees received Federal Identity Cards. Delays occurred in the regions where employees were not located near credentialing centers. We replaced card readers with FIPS compliant access control key card readers in our Washington, DC, facility.

The Office of the Federal Register successfully operates in an electronic work environment. The Electronic Editing and Publishing System (eDOCS) enables agencies to electronically submit digitally signed, legal documents to our office. Using the digital signature capability, offices can eliminate the use of paper during the entire process and experience efficiencies and cost savings. More than 1,000 offices and 300 Federal departments and agencies send documents from all over the United States to us for publication in the *Federal Register*. We process an average of 150 documents each day. Thousands of *Federal Register* and public inspection documents are retrieved online each month. More than 204 million online retrievals of *Federal Register* documents were made this year. We successfully managed 100 percent of the documents electronically submitted for publication throughout the year.

At the Office of the Federal Register, we also instituted an extensive telework program using the capabilities of our electronic editing and publishing system, eDOCS, to distribute its operations geographically and ensure the viability of the mission essential *Federal Register* publication program.

<b>Performance Data</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<i>Performance target for percent of developed NARA Continuity of Operations Plans that achieve viability.</i>	—	—	100	100	100
Percent of NARA Continuity of Operations Plans that achieve viability.	0	0	0	0	0
Number of approved continuity of operation plans.	3	3	3	3	3
<i>Performance target for percent of documents Office of the Federal Register manages electronically using eDOCS.</i>	50	75	75	85	100
Percent of documents Office of the Federal Register manages electronically using eDOCS.	22	59	81	92	100
Number of documents managed electronically using	7,066	18,316	24,849	28,683	32,466

<b>Performance Data</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
eDOCS.					
Number of digitally-signed, legal documents submitted using eDOCS.	4,142	3,258	5,672	6,651	9,151

*FY 2010 Performance Plan Evaluation* While our work to ensure NARA is prepared for continuity of Government and continuity of operations in the event of an emergency or catastrophic event will continue, we have achieved substantial progress and this work will no longer be tracked at a strategic level.

#### 1.6 RECORDS IN THE NATIONAL RESPONSE TO EMERGENCIES

<b>FY 2009 Objectives</b>	<input checked="" type="checkbox"/>	Establish a supportive partnership in the national response to emergencies in 100 percent of FEMA regions.
	<input checked="" type="checkbox"/>	Offer emergency planning and vital records training sessions in each NARA region.
<b>Results</b>	<input checked="" type="checkbox"/>	We established collaborative relationships with FEMA counterparts in 100 percent of FEMA regions.
	<input checked="" type="checkbox"/>	We conducted courses on vital records and emergency preparedness and response in each of our regions.

*Discussion* In response to lessons learned from Hurricanes Katrina and Rita, NARA put plans in place to promote the preservation of government records during times of disaster. We also focused on partnerships with the Council of State Archivists (CoSA), the Federal Emergency Management Agency (FEMA), and others to meet the challenge for all government records nationwide. This year we continued to foster relationships that will enable us to manage and preserve Federal records in times of disaster.

In FY 2007, a draft of the National Response Framework Emergency Support Function #11 recognized records as natural and cultural resources and historic properties (NCH) resources. Now in final form, this framework defines NARA's role to provide preservation, scientific/technical, archival and records management advice, and information to help secure and prevent or minimize loss following a disaster of government records and archival materials that define and protect citizen rights and government obligations and document our national experience. During FY 2009, we participated in regional intergovernmental COOP working groups and continued to establish partnerships with Federal agency officials nationwide through Federal Executive Boards. Around the country we worked with groups such as the Heritage Emergency National Task Force to promote disaster and emergency response for archives and cultural institutions in Atlanta, GA; we delivered vital records presentations; and attended training sessions addressing emergency response and disaster preparedness.

<b>Performance Data</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<i>Performance target for percent of FEMA regions in which we have established a supportive partnership</i>	—	—	50	80	100

<b>Performance Data</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<i>in the national response to emergencies.</i>					
Percent of FEMA regions in which we have established a supportive partnership in the national response to emergencies.	—	—	60	80	100

*FY 2010 Performance Plan Evaluation* While our work to promote the preservation of government records will continue, we have successfully accomplished our objective and this work will no longer be tracked at a strategic level.

## ***Strategic Goal 2: Preserve and Process***

*We will preserve and process records to ensure access by the public as soon as legally possible*

### **Long-Range Performance Targets**

- 2.1 By 2016, 85 percent of scheduled transfers of archival records are received at the scheduled time.
- 2.2 By 2016, 95 percent of archival holdings have been processed to the point where researchers can have efficient access to them.
- 2.3 By 2012, 90 percent of agency declassification reviews receive high scores as assessed by the Information Security Oversight Office (ISOO).
- 2.4 By 2016, NARA archival holdings of 25-year-old or older records are declassified, exempted, or referred under the provisions of Executive Order 12958, as amended.
- 2.5 By 2016, 100 percent of archival holdings are stored in appropriate space.
- 2.6 By 2009, 100 percent of NARA records center holdings are stored in appropriate space.
- 2.7 By 2016, less than 50 percent of archival holdings require preservation action.

**FY 2009 Resources Available to Meet This Goal: \$213,766,000; 700 FTE**

### **2.1 ACCESSIONING RECORDS**

#### **FY 2009 Objectives**

- ☒ Identify and schedule 10 percent more Federal agency electronic records series or systems than were scheduled in FY 2008.
- ☒ 20 percent of archival records transfers arrive at NARA on time.
- ☐ Establish baseline of records schedules submitted using ERA.

#### **Results**

- ✓ We scheduled 60 percent more Federal agency electronic records series or systems, with a focus on CFO Act agencies, than were scheduled in the previous fiscal year.
- ✓ We received 21 percent of archival records transfers from targeted agencies.

- ✓ We trained staff from our four ERA pilot agencies to electronically draft schedules through ERA's records scheduling module.

*Discussion* Our commitment to ensuring access to the records of our nation depends heavily on getting the records transferred to NARA on schedule. Without the proper identification, schedule, disposition, and transfer of these important records to the National Archives, the Federal Government becomes susceptible to preventable risks. During this fiscal year, we continued the momentum to work with agencies to schedule and transfer their archival records. We focused our appraisal staff on assisting agencies with scheduling their electronic records for the impending September 2009 deadline of complying with section 207(e) of the E-Government Act of 2002.

The success we noted in this area is evidence that our efforts have been somewhat effective. This year we exceeded our goal to increase by 10 percent the number of Federal agency electronic records series or systems scheduled. We targeted CFO Act agencies and other selected agencies and surpassed our goal on the percent of archival records transfers arriving at NARA on time. We were often limited in evaluating the timeliness of a transfer (e.g., based on a specific date), but of those targeted agencies whose records were expected in FY 2009, we achieved a 21 percent success rate.

Part of the strategy for improving customer satisfaction in the processes by which Federal records are identified, appraised, scheduled, and tracked while in agency custody is the Electronic Records Archives (ERA), the tool that supports the scheduling and accessioning of Federal records. We began a pilot with four agencies for ERA's initial operating capability deployment in FY 2008. However, in FY 2009, the number of schedules submitted through ERA was inadequate to establish a baseline. We plan to increase the number of agencies using ERA to schedule their records over the next two years.

<b>Performance Data</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<i>Performance target for percent of scheduled transfers of archival records transferred to NARA at the scheduled time.</i>	–	–	–	20
Percent of archival records transferred to NARA at the scheduled time.	–	–	–	21
Percent of archival traditional records transferred to NARA at the scheduled time.	–	–	–	6
Percent of archival electronic records transfers arriving at NARA on time.	–	–	40	44
<i>Performance target for percent increase in number of Federal agency electronic records series or systems scheduled than prior year.</i>	–	10	10	10
Percent increase in number of Federal agency electronic records series or systems scheduled than prior year.	10	33	31	60
Number of Federal agency electronic records series or systems scheduled.	–	–	496	794

*FY 2010 Performance Plan Evaluation* We will continue working to improve the timeliness of records transfers to NARA. We plan to develop new strategies and approaches to increase awareness of scheduling in agencies.

## 2.2 PROCESSING RECORDS

### FY 2009 Objectives

- ☑ Increase by 10 points the percent of archival holdings processed to where researchers can have efficient access to them.

### Results

- ✓ We increased by 11 points the percent of archival holdings processed to where researchers can have efficient access to them.

*Discussion* Archival processing involves all the steps needed to open a record to the public. It includes establishing basic intellectual control, flagging records that have privacy or national security classifications, providing enhanced descriptions of the records content as well as the context in which the records were created, and performing initial preservation so that we can serve the records to the public.

Although we exceeded this year's target to increase processed archival holdings available for access to researchers by 11 percentage points, keeping up with new accessions while addressing the backlog will continue to be a challenge. We have streamlined our business processes to process holdings more efficiently, and adjusted resources to support this initiative; however, we will continue to confront challenges in meeting our processing targets.

Processing Presidential records is central to the operations of Presidential Libraries and key to making Presidential records available to the public. With the combined requirements of the Presidential Records Act, the Freedom of Information Act and applicable Executive Orders, the archival processes for Presidential records vary significantly from the processes used to make Federal records available to the public. Within our Presidential Library system, responding to FOIA requests has been the primary mode for processing Presidential records. Various complexities, such as multiple reviews to ensure the nondisclosure of personal privacy information, affect the efficiency of processing electronic records. We have implemented several steps to streamline the review process and reduce FOIA backlogs to simplify electronic records processing.

In FY 2009, we received funding for 15 new archivists in our Presidential Libraries. Once trained, these staff will help to improve both FOIA and systematic processing and open an increasing number of records to researchers.

### Performance Data

	2005	2006	2007	2008	2009
Performance target for percentage point increase in the number of archival holdings that have been processed to the point where researchers can have efficient access to them.	—	—	Establish baseline	10	10
Percentage point increase in the number of archival holdings processed to the point where researchers can have efficient access to them.	—	—	—	Establish baseline	11
Percent of archival holdings processed to the point where researchers can have efficient access to them.	—	—	21*	30	41

\* Data reported in 2007 reflects only Washington, DC, area work. Data beginning in 2008 reflects results for the agency.

*FY 2010 Performance Plan Evaluation* We will continue to assess how changes in processing operations and increased staffing improve processing productivity. In our Presidential Libraries, we will train new staff in FOIA and systematic processing.

2.3 GOVERNMENT-WIDE DECLASSIFICATION

**FY 2009 Objectives**

- ☑ Perform annual assessments of agencies with substantial declassification review activity.
- ☑ Increase the percentage of agency declassification reviews receiving high scores as assessed by ISOO.
- ☑ Develop recommendations for declassification programs to improve the quality of their reviews
- ☑ Develop policy guidance for the Controlled Unclassified Information (CUI) Framework.

**Results**

- ✓ We conducted 19 assessments of agency declassification review programs at Executive branch agencies.
- ✓ Our assessment of agency declassification review programs identified 53 percent of agencies receiving a high score.
- ✓ We issued 16 ISOO notices with 9 notices issued specifically to address the most serious common deficiencies and best practices in agency declassification programs.
- ✓ We developed policy guidance supporting the implementation and transition to the CUI Framework.

*Discussion* The Information Security Oversight Office (ISOO), administered by NARA, oversees the Executive branch-wide security classification program under Executive Order 12958, as amended, "Classified National Security Information." ISOO's oversight includes assessing agency actions to properly declassify, exempt, exclude, refer, or delay specific records under the automatic declassification provisions of the Executive Order 12958, as amended.

Based on lessons learned or common issues identified in agency assessments, ISOO issues guidance to agencies. ISOO issued nine notices on declassification that addressed the most serious common deficiencies and other more general topics. The notices assist agencies in training their personnel and provide consistency in the declassification referral process.

In FY 2008, ISOO incorporated assessments of agency declassification review programs as a core function of its oversight responsibilities. The assessments revealed substantial issues across the Executive branch agencies. To expand coverage of the program in FY 2009, we trained additional analysts to evaluate declassification programs of Executive agencies. ISOO conducted 19 declassification program assessments and noticed



important improvements, confirming that agencies are taking our advice and using the guidance to improve their programs.

We recognize, as do many agencies, the benefits of the assessments. Several agencies requested detailed results of the initial declassification reviews in an effort to understand and correct deficiencies in their programs or highlight successes to their senior management and customers.

In FY 2008, NARA was designated by Presidential Memorandum as the Executive Agent responsible for implementation of the Controlled Unclassified Information (CUI) Framework. To fulfill the responsibilities, we established a CUI Office within ISOO. Through interactions with the CUI Council and interagency working groups, which also include private industry and state and local government stakeholders, the CUI Office developed guidance designed to facilitate the transition to the CUI Framework.

In FY 2009, our CUI Office developed policy guidance concerning: dispute resolution, safeguarding, marking, designation, dissemination, and life cycle. We implemented an outreach strategy to communicate policy updates and progress on the CUI Framework, address CUI concerns, and create formal and informal methods to communicate with stakeholders. We extended our outreach to representatives from State and local law enforcement entities as well as public interest groups for feedback on our CUI guidance development effort and future developments. We planned for a CUI Registry—an online source of guidance and marking information for users of the CUI Framework. We defined requirements for a CUI online training program for all users of CUI.

A Presidential memorandum was issued in FY 2009 establishing a Presidential Task Force to examine CUI and make recommendations to the President concerning CUI policy. As work continues into FY 2010, the results of the task force will likely bring new priorities and directions regarding CUI.

<b>Performance Data</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<i>Performance target for percentage point increase in the number of agency declassification reviews that receive high scores as assessed by ISOO.</i>	—		—	<i>Establish baseline</i>	15
Percentage point increase in the number of agency reviews that receive high scores as assessed by ISOO.	—	—	—	—	17
Percent of agency declassification reviews that receive high scores as assessed by ISOO.	—	—	—	36	53
Number of agency declassification reviews that receive high scores as assessed by ISOO.	—	—	—	8	10
Number of agency declassification reviews assessed by ISOO.	—	—	—	22	19
Number of pages declassified government-wide (in millions of pages).	24.6	34.8	34.4	27.9	TBD

*FY 2010 Performance Plan Evaluation* ISOO will continue to issue formal notifications that seek to improve the classified national security information program by disseminating consistent guidance to agencies on a periodic basis. We will review agency declassification programs and recommend ways to improve the quality of reviews. We will continue efforts to implement the CUI Framework and respond to any new changes in policy.

## 2.4 NARA DECLASSIFICATION

### **FY 2009 Objectives**

- ☑ Increase by 10 percent the number of pages completed in the National Declassification Initiative (NDI) process.
- ☑ Scan 500,000 pages of Presidential records eligible for declassification review as part of the Remote Archives Capture Project.

### **Results**

- ✓ We increased by more than 150 percent the number of pages completed in the NDI process.
- ✓ We focused our efforts on the Reagan Presidential Library and scanned 544,631 pages of Presidential records.

*Discussion* Executive Order 12958, as amended, directs agencies to review and resolve their equities in security classified documents more than 25 years old that have been referred to them by other agencies. Working with agencies, we established the National Declassification Initiative (NDI) to provide a systematic approach to the referral of classified equities between Executive branch entities, with the ultimate goal of transparency and proper access. NARA chairs this group of interagency personnel that performs a quality assurance function to ensure that classified information is not released to the public. NARA prioritizes the order in which referrals are processed to ensure timely attention to records with high research interest. This year, we more than doubled our goal of the number of pages completed in the NDI process. These records receive a quality control review from the Department of Energy before release. This year, we declassified nearly 12 million pages and moved them to the open shelves.

The success of the National Declassification Initiative (NDI) is dependent on collaboration between NARA and the Federal agencies that constitute the declassification community. To improve our processes and operate more efficiently, we revised our NDI quality assurance team's standard operating procedures that document a modified approach to sampling. These procedures, once implemented, will greatly increase the amount of records that pass through the quality assurance review team to the processing teams.

For classified materials in the Presidential Library system, we continued our partnership with the Central Intelligence Agency (CIA) called the Remote Archives Capture (RAC) project. We use this vehicle to facilitate declassification review. Classified materials held by the Presidential Libraries throughout the country are scanned and captured in digital format for review in a centralized location in Washington. The primary classifying agency uses a classified review system for review and declassification of their equities. The equity declassification review is transmitted to a CIA center. The CIA center subsequently provides the Library with its declassification decisions. We successfully scanned 544,631 pages of Presidential records eligible for declassification, exceeding our goal of 500,000 pages.

### **Performance Data**

	2005	2006	2007	2008	2009
Backlog of pages of Federal records eligible for declassification at start of year (in thousands of pages).	—	—	—	420,050	417,098

<b>Performance Data</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Backlog of pages of Presidential materials at start of year (in thousands of pages).	668	218	218	218	127
Annual number of Federal pages* declassified (in thousands).	35	89	374	260	11,720
Annual number of Presidential pages* declassified (in thousands).	94	89	194	80	198
<i>Performance target for percentage point increase in the number of pages completed in the National Declassification Initiative (NDI) process.</i>	—	—	—	—	10
Percent increase in the number of pages completed in the NDI process.	—	—	—	—	150
Number of pages completed in the NDI process (in thousands).	—	—	—	—	5,566
<i>Performance target for annual number of Presidential pages scanned (in thousands).</i>	300	500	500	500	500
Annual number of Presidential pages scanned (in thousands).	563	506	512	519	545

*\*Statistics prior to FY 2008 represent the pages NARA reviewed that are more than 25 years old for which NARA has declassification authority. This is a subset of overall NARA declassification work. Statistics for FY 2008 and beyond represent overall NARA declassification work.*

*FY 2010 Performance Plan Evaluation* Access and use of agency personnel resources within the declassification community to assist with quality assurance, reduction of the classified records backlog, and guidance development will continue to challenge our efforts. Agency cooperation is essential in identifying records subject to the various declassification deadlines set in E.O. 12958, as amended, as well as helping us resolve impediments in meeting these deadlines. We will continue scanning pages of Presidential records eligible for declassification review. NARA plans to establish the National Declassification Center (NDC) when directed.

## 2.5 ARCHIVAL HOLDINGS IN APPROPRIATE SPACE

- FY 2009 Objectives**
- ☒ Complete design for Roosevelt Library renovation.
  - ☐ Award construction contract for first phase of Roosevelt Library renovation.
  - ☒ Complete site work contract for Kennedy Library expansion.
  - ☒ Complete sprinkler upgrades and award construction for mechanical improvements at Eisenhower Library.
  - ☐ Award construction contract and complete mechanical improvements at Carter Library.
  - ☐ Complete design of 1571 improvements for Waltham, San Bruno, and Seattle.
  - ☐ Complete site flood prevention measures at the National Archives Building.

	<input type="checkbox"/> Break ground on new National Personnel Records Center facility.
<b>Results</b>	<ul style="list-style-type: none"><li>✓ We completed the design for the first phase of a three phase effort to renovate the Roosevelt Library.</li><li>✓ We postponed construction contract award to perform additional archeological investigations of the Roosevelt Library site.</li><li>✓ We awarded the contract for the Kennedy Library expansion site work.</li><li>✓ We completed the sprinkler upgrades at the Eisenhower Library and awarded a construction contract for HVAC improvements.</li><li>✓ We awarded a construction contract for mechanical equipment and completed a substantial portion of the construction prior to the museum reopening at the Carter Library.</li><li>✓ We completed design work for facility upgrades in San Bruno and Waltham to meet NARA's archival storage standards.</li><li>✓ We completed an environmental assessment and completed a substantial portion of the flood gate installation as part of the flood prevention measures at the National Archives Building in Washington, DC.</li><li>✓ We reviewed and approved a site design concept for the construction of our new National Personnel Records Center (NPRC), a GSA-leased facility to house archival and permanent holdings.</li></ul>

*Discussion:* NARA has an inventory of 16 NARA-owned buildings—the National Archives Building, the National Archives at College Park, 13 Presidential Libraries and Museums, and the Southwest Regional Archives outside of Atlanta. The National Archives Building and the Roosevelt Library are on the National Register of Historic Places, and all of the Presidential Libraries are considered by the State Historic Preservation Officers to be eligible. All of these buildings are archival storage facilities and house historically valuable and irreplaceable documents.

In 2006, NARA experienced a damaging flood at the National Archives Building in Washington, DC. Damage occurred in the moat, the sub-basement, and some parts of the

basement level, as well as in the William McGowan Theater. We conducted an engineering study into the causes of the flood and proposed mitigation measures. Based on the study, we selected two flood mitigation measures to prevent damage from future floods. We completed the first measure, in 2008, to install cofferdams and watertight doors on the moat electrical vaults last year. In FY 2009, we installed floodgates at the moat entrances and expect to complete implementation of flood prevention measures at the National Archives Building in early FY 2010.

Over the years, the Kennedy Library has received voluminous amounts of accessioned materials that currently exceed the capacity of the Library. The storage areas are overcrowded and do not meet standards for storage of archival material. As an interim solution, we use off-site storage for some of the materials; however, to solve the problem, we need to expand the Library and implement improvements to meet archival storage standards. This year, we awarded the contract for site work construction and have begun site work construction needed for an expansion to the John F. Kennedy Library.

The Roosevelt Library requires renovation to not only correct deficiencies in the building but also bring the facility into compliance with the current NARA standards for preservation and to improve the fire-safety protection of the facility. In addition to upgrading the facility, the renovation design will incorporate a new permanent exhibit. The renovations to this facility will be completed in three phases. Phase 1 includes all site work and renovations to the second level, Phase 2 includes renovations to the main (museum) level, and the last phase will include renovations to the lower level. We completed the design for the first phase; however, we are behind schedule to issue a request for proposal and award the construction contract for site work. The delays result from reviews of the renovation site on archeological issues taking longer than expected to resolve.

Renovations to the Carter Library are also necessary to meet archival preservation standards and replace aging equipment. We awarded a construction contract for the early procurement of mechanical equipment and successfully completed a substantial portion of the original HVAC renovation work to the Library prior to the museum reopening. However, a late change order to replace additional equipment delayed completion of construction to early FY 2010.

NARA's Capital Improvements Plan addressed several facility repairs and renovation activities needed in FY 2009. We are at varying stages of completing these upgrades at our regional facilities. We completed upgrades at San Bruno to comply with archival storage standards; however, we identified issues and have informed GSA of required corrections. As we move forward to comply with archival storage standards, we awarded a construction contract to make improvements to the Waltham facility. We experienced delays as a result of a GSA amended design scope for the Seattle facility. We expect completion of the design in FY 2010.

We opened a new National Archives-Central Plains Region facility in FY 2009. We relocated documents chronicling 170 years of Great Plains life from the Bannister Federal Complex to this new regional facility located in Kansas City, MO. This regional facility will house archival records most frequently requested in the Central Plains region.

The National Personnel Records Center (NPRC) is the largest NARA operation outside the Washington, DC, area with more than four million cubic feet of records. Our facilities—the Military Personnel Records (MPR), the Civilian Personnel Records (CPR), and the Dielman Archival Annex—are plagued with numerous problems and the costs are too high to renovate to comply with archival storage standards. We are working with

GSA to build a new, fully compliant NPRC building that will house more than two million cubic feet of records. We expect to break ground for the new NPRC in FY 2010.

During FY 2009, our Space and Security Management Division, jointly with our Cognizant Security Agency (CSA), conducted physical surveys or inspections of several classified National Security Information storage facilities located at various NARA sites. They also assisted NARA staff offices with preparation of supporting documentation, leading to certification and accreditation (C&A) of these facilities by the CSA. Among those receiving C&A were the George W. Bush Presidential Library temporary facility, the Clinton, Ford, and Reagan Presidential Libraries, and NARA's alternate COOP facilities in West Virginia. NAS also conducted surveys jointly with the CSA, and assisted with the preparation of supporting documentation, for other classified NARA facilities scheduled for C&A during the upcoming fiscal year. These include the Nixon Presidential Library, the Seattle Federal Records Center, and 11 separate areas within the National Archives facility in College Park. There were no hindrances found to getting accreditations and certifications.

<b>Performance Data</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Percent of NARA archival traditional holdings in appropriate space.	53	57	80	81	82
Number of archival traditional holdings (in thousands of cubic feet).	3,164	3,296	3,346	3,729	3,979
Percent of artifact holdings in appropriate space.	42	42	42	40	37
Number of artifact holdings (in thousands).	544	544	544	582	628
Percent of electronic holdings in appropriate space.	100	100	100	100	100
Number of electronic holdings in appropriate space (in millions of logical data records).	4,041	4,611	4,737	5,523	6,704
<i>Performance target for cost of compliant archival storage space per cubic foot of traditional holdings stored (adjusted for inflation).</i>	—	—	\$5.78	\$5.84	\$6.06
Cost of archival storage space per cubic feet of traditional holdings stored.	\$6.48	\$6.65	\$6.20	\$5.85	\$5.78

*FY 2010 Performance Plan Evaluation* We will continue to focus on maintaining storage facilities that meet archival requirements while keeping costs for archival storage as low as possible. We will complete various stages of renovation activities for the National Archives Building, and the Roosevelt, Nixon, Eisenhower, and Johnson Presidential Libraries, to improve services to researchers and the public.

## 2.6 NARA FEDERAL RECORDS CENTER HOLDINGS IN APPROPRIATE SPACE

### **FY 2009 Objectives**

- ☐ 100 percent of NARA records center holdings are stored in 36 CFR 1228 subpart K compliant space, as certified by NAS.
- ☐ Complete certification of remaining records center facilities that have been brought up to storage standards.
- ☒ Complete construction of National Personnel Records Center Annex.

**Results**

- ☑ Move 80 percent of holdings slated for National Personnel Records Center Annex.
- ✓ We completed upgrades in Lenexa and Lee's Summit to meet Federal regulatory standard, 36 CFR 1228 subpart K, for our records center holdings.
- ✓ We certified NARA compliance with 36 CFR 1228 subpart K for our Lenexa and Lee's Summit records center facilities.
- ✓ We completed construction of the National Personnel Records Center Annex with six out of the eight bays fully constructed and available.
- ✓ We moved more than 80 percent of our records from the Civilian Personnel Records and Military Personnel Records sites to the National Personnel Records Center Annex.

*Discussion:* We advanced in our effort to ensure that our nationwide network of Federal Records Centers is in compliance with the Code of Federal Regulation Facility Standards for Records Storage Facilities. For several years, we have made extensive efforts to upgrade, and if upgrades are too costly, replace our records storage facilities. We have lease arrangements with the General Services Administration (GSA) to replace aging facilities. In FY 2008, we completed a lease agreement for a National Personnel Records Center Annex to house temporary records from our Military Personnel Records and the Civilian Personnel Records facilities in this underground facility in Valmeyer, IL. This year, we moved more than 1.4 million cubic feet of records into the annex.

Progress on our leased facilities requires coordination with GSA, who is responsible for contracting and, in some cases, funding the required work. To expedite upgrades in Suitland, MD, we formally requested delegation authority from GSA to contract the compliance work for our Washington National Records Center facility. GSA granted authority and we began design work needed for compliance. In addition, we identified and corrected problems at both our Lenexa and Lee's Summit sites and certified these facilities as compliant in FY 2009. We expect to complete the remaining upgrades to our facilities in FY 2010, with the opening for the new National Personnel Records Center facility in St. Louis in FY 2011.

**Performance Data**

	2005	2006	2007	2008	2009
<i>Performance target for percent of NARA records center holdings stored in appropriate space.</i>					100
Percent of NARA records center holdings stored in appropriate space.	—	—	—	—	TBD
Percent of NARA records center facilities certified as meeting the 2009 regulatory storage standards.	9	9	29	33	48
Volume of records center holdings (cubic feet in millions).	24.6	25.1	25.7	26.6	27.2
Storage price per cubic foot for records center holdings.	\$2.16	\$2.28	\$2.28	\$2.40	\$2.40

*FY 2010 Performance Plan Evaluation* Our Federal Records Center Program continues to implement infrastructure upgrades and compliant storage solutions as required for Federal temporary records. We will complete certification of remaining records centers that have met the storage standards.

## 2.7 PRESERVATION

### **FY 2009 Objectives**

- ☒ Appropriately treat or house 80,000 cubic feet of NARA's at-risk archival holdings so as to slow further deterioration.
- ☒ Establish measures for the quantity of dynamic media record holdings that can be preserved using digitization.
- ☐ Develop plan for conversion of dynamic media records holdings to digital formats by 2016.
- ☐ Implement infrastructure to ensure preservation of digital products created in preservation reformatting.
- ☒ Deploy IOC of the Holdings Management System (HMS) for textual records in the National Archives in College Park and provide training to staff.

### **Results**

- ✓ We treated nearly 116,000 cubic feet of at-risk archival records and removed more than 57,000 cubic feet from our preservation backlog.
- ✓ We developed standardized measures and a database to track measures and preservation needs of at-risk dynamic media records.
- ✓ We updated the Five-Year Nontextual Preservation Plan and reviewed risks associated with dynamic media records in Classified Special Media projects.
- ✓ We acquired additional storage capacity for digital products reformatted for preservation purposes.
- ✓ We deployed IOC of HMS for textual records at the National Archives in College Park and trained staff.

*Discussion:* We preserve a variety of formats and media in our holdings, from paper records, videotapes, and microfilm, to maps, charts, and artifacts. We consistently examine our holdings to assess their preservation needs, provide storage conditions that



retard deterioration, and treat, duplicate or reformat records at high risk for loss or deterioration. Our at-risk records include acetate-based still photography and microfilm, audio recordings that require obsolete equipment, videos, brittle and damaged paper records, and motion pictures. We annually set goals to treat and reduce the number of at-risk archival holdings from our preservation backlog and make them available to the public.

Large accessions with high volumes of at-risk records, such as the accession of Official Military and Personnel Files in FY 2009; increased demand for the digitization of records; or high public interest to use at-risk records are a few of the factors that influence the rate in which we perform holdings maintenance and preservation treatment on at-risk records. This year we were able to treat nearly 116,000 cubic feet of at-risk holdings and removed more than 57,000 cubic feet from our preservation backlog.

Other compelling reasons drive our decision-making process in managing at-risk records. The replacement of analog media and equipment to digital counterparts is the impetus behind our need to migrate to newer technologies. In FY 2007 and FY 2008, we purchased much of the equipment needed to convert dynamic media from analog to digital. We continue to train staff in the operation of the equipment and align our workflows to facilitate use of the newer technologies. In addition, we developed and implemented an at-risk database to track progress in the identification and implementation of preservation requirements for dynamic media. This database will help us monitor and understand the production capabilities of our digitization laboratories.

We deployed the initial operating capability of our Holdings Management System (HMS) at the National Archives in College Park for textual records. We developed this system to address long-standing issues and inefficiencies that we experience with storage and management of hardcopy archival holdings. HMS provides a common, integrated solution that when fully deployed, will provide greater physical control over non-electronic archival holdings across all NARA facilities. HMS will provide location and space management for records stored at multiple NARA facilities. We will use this system to quickly locate available space to store records. In addition, the system will include circulation management for tracking the circulation of records to various users; preservation management for effectively managing preservation data, such as risk levels, condition assessments, and the history of preservation actions; inventory management of traditional holdings; and archival project management to track archival processing activities related to the preparation of materials for public access. We remain diligent in our efforts to effectively process and manage our holdings so they are available and accessible to the public for years to come.

<b>Performance Data</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<i>Performance target for percent of archival holdings that require preservation action.</i>	–	–	<i>Establish Baseline</i>	≤65	≤65
Percent of archival holdings that require preservation action.	–	–	65	65	65
Backlog of holdings requiring preservation action (in thousands of cubic feet).	–	2,182	2,165	2,418	2,581
At-risk archival holdings that received preservation treatment this year (thousands of cubic feet).	27	28	54	99	57
Cumulative volume of at-risk archival holdings in cold storage (thousands of cubic feet).	86	90	90	91	93

*FY 2010 Performance Plan Evaluation* We will continue to treat our at-risk records to prevent loss of historically, valuable information. We will launch HMS at the National Archives Building in Washington, DC, and at two regional archives.

### **Strategic Goal 3: Electronic Records**

*We will address the challenges of electronic records in Government to ensure success in fulfilling NARA's mission in the digital era*

#### **Long-Range Performance Targets**

- 3.1 By 2016, 95 percent of archival electronic holdings have been processed to the point where researchers can have efficient access to them.
- 3.2 By 2012, 80 percent of archival electronic records are preserved at the planned level of service.
- 3.3 By 2016, the per-megabyte cost of managing electronic records decreases each year.

**FY 2009 Resources Available to Meet This Goal:** \$76,860,000; 101 FTE

#### 3.1 PROCESSING ELECTRONIC RECORDS

##### **FY 2009 Objectives**

- ☒ Sustain 80 percent of archival electronic holdings processed to the point where researchers can have efficient access to them.
- ☐ Complete 75 percent of data migration of holdings from legacy systems migrating to the initial ERA system for Federal records.

##### **Results**

- ✓ We processed and described 88 percent of archival electronic holdings in our legal custody to the point where researchers have efficient access to them.
- ✓ We migrated 60 percent of legacy accessions planned for the initial ERA system.

*Discussion* We continue to increase the percent of electronic holdings processed, described, and made available to researchers. As the Federal Government becomes increasingly dependent on technology, we can expect escalating volumes of archival electronic records accessioned to NARA for preservation and access. We anticipate near term transfers and accessions of electronic holdings from agencies such as the Census Bureau and the Department of Defense to include hundreds of terabytes of data.

We are addressing this growing volume of electronic records through our implementation of the Electronic Records Archives (ERA). We identified an initial set of legacy electronic holdings to be ingested in ERA and migrated 60 percent of those electronic holdings in the system. The legacy migration workflow is a multi-step process that validates and packages accessions before they are ingested into ERA. Checkpoints throughout the process enable staff to ensure that records maintain their authenticity. A new release of ERA currently in testing will improve this process. During FY 2009, we successfully ingested legacy accessions from the Bureau of the Census, the Department of

Energy, and the Office of Education, to name a few. We were able to verify the integrity of the transfer process through ERA.

<b>Performance Data</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<i>Performance target for percent of archival electronic accessions processed to the point where researchers can have efficient access to them.</i>	80	80	95	80	80
Percent of archival electronic accessions processed.	80	80	81	86	88
Number of accessions received.	1,830	2,010	2,153	2,328	2,476
Number of accessions processed.	1,463	1,615	1,738	2,004	2,188
Unprocessed accessioning backlog (in accessions).	367	395	415	324	288
Median time (in calendar days) from the transfer of archival electronic records to NARA until they are available for access.	413	259	467	2,127*	1,842*

\*Processing completed for numerous electronic record holdings received more than 5 years ago.

*FY 2010 Performance Plan Evaluation* We will continue the migration of data from the legacy media to ERA. In addition, we will strive to process new transfers of electronic records using both ERA and our legacy processes for transfers not eligible for ERA processing.

### 3.2 PRESERVING ELECTRONIC RECORDS

#### **FY 2009 Objectives**

- ☐ Establish baseline of archival electronic records preserved and managed in a persistent format.

#### **Results**

- ✓ We implemented a process to ingest and manage Executive Office of the President electronic records that have been transformed to persistent formats.

*Discussion* We drafted a NARA Preservation Conceptual Framework document that describes how NARA will interpret key preservation concepts, such as authenticity, and how ERA will manage its digital assets. We supplemented this information with documents addressing concepts such as transformations, where we examine transforming digital files from one format to another for preservation purposes. Addressing these concepts is necessary as we begin to build a preservation framework in ERA.

In addition, we reviewed the file formats in our holdings to determine the extent of file formats that we manage. We implemented an “adaptation” process for Executive Office of the President (EOP) records to ingest and manage electronic records that have been adapted from their native formats to more persistent formats as the basis for long term preservation.

<b>Performance Data</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<i>Performance target of percent of NARA’s electronic holdings stabilized.</i>	—	—	80	80	85
Percent of NARA’s electronic holdings stabilized.	89	89	89	90	88
Number of accessions received.	1,830	2,010	2,153	2,328	2,476
Number of accessions stabilized.	1,628	1,788	1,915	2,097	2,186

Performance Data	2005	2006	2007	2008	2009
Cumulative number of archival holdings accessioned (in millions of logical data records).	4,041	4,611	4,737	5,523	6,704

*FY 2010 Performance Plan Evaluation* We will define the criteria and policy for establishing planned levels of service to preserve and make available archival electronic records.

### 3.3 COST OF ELECTRONIC RECORDS MANAGEMENT

#### **FY 2009 Objectives**

- ☒ Achieve initial operating capability of the ERA system for Presidential records.
- ☐ Extend ERA to additional agencies beyond the pilot agencies.
- ☒ Initiate design and development of ERA capabilities for public access and long-term preservation.

#### **Results**

- ✓ We deployed an ERA instance for Presidential records and ingested and stored electronic records transferred from the White House at the end of the George W. Bush Administration.
- ✓ We analyzed feedback from our pilot agencies to prepare for extension of ERA to additional agencies.
- ✓ We developed high-level requirements for public access search capability. We developed an initial preservation framework based on existing formats in our holdings.

*Discussion* We met the challenge of transferring the George W. Bush Presidential records with the deployment of the Executive Office of the President (EOP) instance of our ERA system in December 2008. This modified version of ERA incorporated requirements unique to Presidential records. We were able to successfully ingest the unclassified Presidential electronic records of the George W. Bush Administration into ERA. A small volume of classified and Federal records were secured in standalone systems until they can be brought into ERA. We were challenged with managing a substantially higher volume of electronic records than the combined total of all previous collections of electronic Presidential records. More than 77 terabytes have been ingested to date.

During the process, ERA ingested files adapted to formats designed to make them accessible on whatever hardware or software is currently in use. The ERA EOP release provided NARA with the capability to ingest more than 40 times the volume of data in less than half the time it took for the approach we used to ingest the Clinton data. The release also supported search and access capability across the varied types of files and data received from standalone EOP systems.

We performed an initial pilot of the scheduling, accessioning, and electronic records transfer functions of ERA with the support of five Federal agencies. Based on their input during the pilot, we are refining ERA in preparation for use of the system by additional Federal agencies.

We explored specific technologies to incorporate in ERA to address online public access and preservation requirements. We began design work for an online public access instance and preservation framework.

<b>Performance Data</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<i>Performance target for megabyte cost to manage archival electronic records.</i>	–	–	–	–	<i>Establish baseline</i>
Per megabyte cost to manage archival electronic records.	\$0.70	\$0.43	\$0.37	\$0.39	\$0.36
Number of megabytes of archival electronic records stabilized (in millions).	9.5	16.8	17.8	18.2	19.2

*FY 2010 Performance Plan Evaluation* We will design and deploy public access capabilities. We will extend ERA to agencies beyond those included in the initial release.

## Strategic Goal 4: Access

*We will provide prompt, easy, and secure access to our holdings anywhere, anytime*

### Long-Range Performance Targets

- 4.1. By 2016, NARA customer service standards for researchers are met or exceeded.
- 4.2. By 2012, 1 percent of archival holdings are available online.
- 4.3. By 2016, 95 percent of archival holdings are described at the series level in an online catalog.
- 4.4. By 2012, our web sites score at or above the benchmark for excellence as defined for Federal Government web sites.

**FY 2009 Resources Available to Meet This Goal:** \$50,412,000; 274 FTE

### 4.1 NARA CUSTOMER SERVICE STANDARDS

#### FY 2009 Objectives

- ☒ 92 percent of written requests are answered within 10 working days;
- ☒ 93 percent of items requested in our research rooms are furnished within 1 hour of request or scheduled pull time;
- ☐ 87 percent of Freedom of Information Act requests for Federal records are answered within 20 working days;
- ☒ 90 percent of online archival fixed-fee reproduction orders are completed in 20 working days or less.

#### Results

- ☒ We answered 95 percent of written requests within 10 working days.
- "Thank you very much for copies of my mother's and grandfather's letters to Mr. Hoover."* ☒ We provided 93 percent of items requested in our research room within 1 hour of request or scheduled pull time.
- "Thanks to you and the Library for keeping these documents safe, and making them readily accessible."* ☒ We answered 86 percent of Freedom of Information Act requests for Federal records within 20 working days.
- ☒ We completed 90 percent of our online archival fixed-fee reproduction orders in 20 working days or less.

*Discussion* We successfully met or exceeded most of our customer service targets in FY 2009, however, we fell slightly short of meeting our target for processing Freedom of Information Act (FOIA) requests in 20 working days or less. We experienced a 20 percent increase in the number of FOIA requests, with the heaviest volume in the second half of the year. In our research rooms, our customers received requested research materials within one hour 93 percent of the time; responses to their written requests within 10 working days 95 percent of the time; and online archival reproduction orders within 20 working days 90 percent of the time – a 22-percentage-point increase in the rate completed in FY 2008. This consistently positive trend reflects our commitment to provide more timely responses to these important requests.

In addition, we initiated efforts to apply “Lean Management” principles and methodologies in our largest research rooms. We examined current work processes and identified short and long-term efficiencies to improve overall customer service in this area. In several offices, the development of written standard operating procedures was another method used to improve operations. Even though the volume of work fluctuated throughout the year, we adjusted available resources and balanced the workload to meet customer service standards.

<b>Performance Data</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<i>Performance target for written requests answered within 10 working days.</i>	95	95	90	91	92
Percent of written requests answered within 10 working days.	96	97	95	94	95
<i>Performance target for Freedom of Information Act requests for Federal records completed within 20 working days.</i>	90	90	85	86	87
Percent of Freedom of Information Act requests for Federal records completed within 20 working days.	82	87	88	89	86
Number of FOIAs processed (Federal and Presidential).	8,879	8,883	12,390	13,469	17,508
Annual cost to process FOIAs (in millions).	\$1.74	\$2.62	\$2.72	\$2.34	\$2.79
Annual per FOIA cost.	\$196	\$295	\$220	\$173	\$158
<i>Performance target for items requested in our research rooms furnished within 1 hour of request or scheduled pull time.</i>	95	95	95	90	93
Percent of items requested in our research rooms furnished within 1 hour of request or scheduled pull time.	98	96	86	93	93
Number of researcher visits to our research rooms (in thousands).	171	132	136	140	129
Number of items furnished in our research rooms (in thousands).	537	421	520	576	553
Number of items furnished on time in our research rooms (in thousands).	527	405	449	537	515
<i>Performance target for archival fixed-fee reproduction orders through SOFA are completed in 20 (35 pre-2007) working days or less.</i>	80	85	85	85	90
Percent of archival fixed-fee reproduction orders through SOFA are completed in 20 (35 pre-2007) working days or less.	99	97	72	68	90
Average per order cost to operate fixed-fee ordering.	\$27.31	\$28.74	\$26.67	\$30.59	\$38.06
Average order completion time (days).	12	14	17	22	18

*FY 2010 Performance Plan Evaluation* We expect to meet or exceed our published standards for customer service. Our newly established Office of Government



Information Services will begin work to improve FOIA practices government-wide and ensure an open and accessible government.

#### 4.2 ONLINE ACCESS TO ARCHIVAL HOLDINGS

##### **FY 2009 Objectives**

- ☐ Meet 20 percent of the 2012 target for archival holdings accessible online.
- ☐ Increase the volume of use of Access to Archival Databases (AAD) by 10 percent.
- ☐ Increase the number of visits to ARC by 10 percent.

##### **Results**

*"It gives many windows to learn about our history, in the palm of my hand. Thank you."*

- ✓ We have met the target for our electronic archival records; however, we have less than one percent of NARA's traditional archival holdings accessible online.
- ✓ We discontinued this measure due to technical issues.
- ✓ We experienced a six percent decrease in ARC visits over the last year.

*Discussion* We continue to advance online public access to an increased number of our holdings. We are examining our agency-wide digitization infrastructure and defining ways to strategically provide and manage online access to our holdings. Digitizing selected archival holdings presents internal and external benefits such as reducing the physical handling of original records and providing online access to records for those unable to visit our facilities.

As we continue on our path of making more of our archival holdings accessible online, partnerships with private industry and institutions help to facilitate the digitization process. We actively engage in partnerships with Footnote, The Generations Network (TGN), and *Familysearch.org* (Genealogical Society of Utah). In FY 2009, examples of several of our digitization projects include: 1) Footnote partnership to digitize and develop descriptive metadata for various Holocaust Assets Records microfilm publications; 2) TGN partnership to digitize World War II draft registration cards; 3) FamilySearch.org partnership to digitize indexes to naturalization records.

Our Presidential Libraries are also engaged in an array of digitization activities to enhance public access to their holdings. We have an ongoing partnership with the University of Texas Learning Center and the Johnson Library to continue development and enhancements to the Presidential Timeline web site with the addition of educational modules, and workshops to assist teachers as they implement modules in the classroom.

In our regions this year, we had 15 digitization projects in place to digitize nearly five million images in our facilities throughout the country. In partnership with The Generations Network (TGN) and *FamilySearch.org*, these projects included the digitization of World War II draft registration cards, varied naturalization records, slave manifests, and Chinese passenger records.

Our Access to Archival Databases (AAD) resource provides online access via the Internet to a selection of NARA's electronic records from archival databases of more than 30 Federal agencies. This year we noticed an unusual surge in the number of queries to the system with an increase of nearly 743 percent. We investigated this dramatic increase and learned that automated programs running from unknown users mimic normal, individually run, queries. We will discontinue reporting this measure.

While the number of visits to ARC has declined slightly this year, our current rate of visits is more than 100 percent above prior year levels. Last year we rolled out a new, simplified search box, which helped boost use. We continue to maintain high levels of customer satisfaction.

In addition, we expanded the breadth of tools available to access our data. Using social media and Web 2.0 technologies, we are implementing ways to meet the user where they are online. With the increased popularity of such Web 2.0 technologies as *YouTube*, *Facebook*, wikis, and blogs, we reach new audiences and customers that may be unfamiliar with the National Archives.

<b>Performance Data</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Percent of traditional records available online.	—	—	—	.04	.04
<i>Performance target for percent increase in number of archival electronic holdings accessible online.</i>	20	10	10	—	—
Percent increase in number of archival electronic holdings accessible online.	20	13	-24	8	5
Percent of electronic records available online (logical data records in millions).	2.1	2.1	1.6	1.4	1.3
<i>Performance target for percent increase in ARC visits.</i>	—	—	—	10	10
Percent increase in ARC visits.	81	-11	15	131	-6
Number of ARC visits (in thousands of visits).	286	254	291	671	631
<i>Performance target for percent increase in AAD use.</i>	—	—	—	10	10
Use of AAD (in thousands of queries).	1,134	1,480	1,665	2,086	—
Percent increase in AAD use.	46	31	13	25	—

*Due to technical difficulties in FY 2009, we will no longer report use or query data for AAD.*

*FY 2010 Performance Plan Evaluation* We will increase the number of archival holdings accessible online, whether through NARA or our partners. We will create digital images of the 1940 Census records and perform technical quality control.

#### 4.3 ONLINE CATALOG

##### **FY 2009 Objectives**

- ☑ Describe 65 percent of NARA traditional holdings in the Archival Research Catalog (ARC).
- ☑ Describe 65 percent of NARA artifact holdings in ARC.
- ☑ Describe 65 percent of NARA electronic holdings in ARC.

##### **Results**

- ✓ We described 69 percent of NARA traditional holdings in ARC.

- "The beauty of the Charters of Freedom – kids are intrigued by seeing the original documents as we study them in class."*
- ✓ We described 74 percent of NARA artifact holdings in ARC.
  - ✓ We described 95 percent of NARA electronic holdings in ARC.

*Discussion* The Archival Research Catalog (ARC) is our online catalog with descriptions of holdings, artifacts, and electronic records in the custody of the National Archives. ARC contains more than three and a half million descriptions and links to more than 152,000 digital images of some of our most sought after holdings. Our goal is for ARC to be a comprehensive, self-service, online catalog of descriptions of our nationwide holdings. We are working toward the integration of the public side of ARC with our Electronic Records Archive (ERA) system in late FY 2010.

Each year we try to increase the percentage of holdings that we describe in ARC, enabling the public to search for our records at anytime and anywhere using the Internet. This year, we successfully met our target for each category of holdings that we describe. In addition, we captured data from existing finding aids and included this information in ARC.

<b>Performance Data</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<i>Performance target for traditional holdings in an online catalog.</i>	40	50	55	60	65
Percent of traditional holdings in an online catalog.	43	51	56	64	69
Number of traditional holdings described in an online catalog (millions of cubic feet).	1.4	1.7	1.9	2.4	2.7
Number of traditional holdings in NARA (millions of cubic feet). *	3.2	3.3	3.3	3.7	4.0
<i>Performance target for artifact holdings in an online catalog.</i>	40	50	55	60	65
Percent of artifact holdings in an online catalog.	43	57	57	61	74
Number of artifact holdings described in an online catalog (thousands of items).	233	309	309	353	465
Number of artifact holdings in NARA (thousands of items).	544	544	544	582	628
<i>Performance target for electronic holdings in an online catalog.</i>	10	20	55	60	65
Percent of electronic holdings in an online catalog.	63	98	99	98	95
Number of electronic holdings described in an online catalog (billions of logical data records).	2.5	4.5	4.7	5.4	6.4
Number of electronic holdings in NARA (billions of logical data records).	4.0	4.6	4.7	5.2	6.7
Number of series described in ARC (cumulative).	18,110	31,561	49,691	74,544	102,250
Number of ARC users (in thousands of visits).	286	254	291	671	631

\* The figures for traditional holdings are less than reported in previous years by about 3,600 cubic feet (1/10<sup>th</sup> of 1 percent) due to the re-allocation of a collection stored at the Library of Congress.

*FY 2010 Performance Plan Evaluation* We will continue to expand our online holdings and the percentage of our holdings described in our online catalog. We will measure our efforts to make archival holdings accessible online in cubic feet. We will address description challenges presented by the large increase in electronic records from the Bush Administration's transition. We will begin work to subsume ARC web into ERA.

#### 4.4 ONLINE SERVICES

##### **FY 2009 Objectives**

- ☑ Improve NARA's score against the benchmark for excellence by 1 percentage point.
- ☑ Develop a comprehensive and strategic concept of operations for web-based access to our online assets.

##### **Results**

- ✓ We exceeded the benchmark for excellence by 2 percentage points.
- ✓ We developed high-level requirements and a prototype for online public access design and functionality.

*Discussion* We continue to collect public feedback about our sites through our American Customer Satisfaction Index (ACSI) online surveys. We measure satisfaction by customer groups (e.g. genealogists, veterans, educators, students, etc.) and use this valuable feedback to understand their experience on our websites. We identify customer-focused strategies to develop, modify, or remove web content to improve customer satisfaction levels. We apply this benchmark for excellence to our *archives.gov* web site and compare it against other Federal Government portal sites as a gauge to understand how we compare to other agencies. Previous analysis of feedback revealed that our site search capability would benefit from improvement. We enhanced our search engine and noticed an increase in our search score as well as our overall score. Our overall satisfaction score rose from 66 to 68 percent in FY 2009. Customer expectations tend to increase as they become aware of or experience new technologies. When faced with these expectations, increasing our satisfaction levels often proves challenging.

We recently piloted several social media and Web 2.0 applications as new ways to reach our customers. We launched a *YouTube* channel, *Facebook* pages, and a *blog* to establish a dialog about our public events and holdings with our customers. We also implemented an RSS feed from *archives.gov* where users can subscribe to a daily update of featured documents from our holdings. Users can view an online photostream through *Flickr*, where we showcase historical photographs and documents from our holdings. We will assess the impact these new tools have on our customer satisfaction levels as we experiment with their use.

The Presidential Libraries' sites continue to outperform the overall ACSI e-Government satisfaction score and other benchmarks. We use the ACSI e-Government satisfaction score for the government portal site as a benchmark to evaluate our web sites. We plan to continue to respond to customer expectations by following this successful model and building upon the success of the collective Presidential Library web sites.

##### **Performance Data**

	2005	2006	2007	2008	2009
Online visits to NARA's web sites (in thousands).	21,859	31,897	34,871	37,807	37,470
Performance target in percent improvement in web sites score at or above the benchmark for excellence as defined for Federal government web sites.	—	—	—	Establish baseline	1
Percentage point improvement in web sites score.				—	2

<b>Performance Data</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Web sites score at or above the benchmark for excellence as defined for Federal government web sites.	69	69	67	66	68
Presidential Libraries score at or above the benchmark for excellence as defined for Federal government web sites.	75	77	77	75	78

*FY 2010 Performance Plan Evaluation* We will continue to collect public feedback about our web sites and major application interfaces to guide us as we enhance *archives.gov* to make it more beneficial to our customers.

## Strategic Goal 5: Civic Literacy

*We will increase access to our records in ways that further civic literacy in America through our museum, public outreach, and education programs*

### Long-Range Performance Targets

5.1. By 2016, our museums score in the top 10 percent of all history museums nationally according to industry measures.

5.2 By 2016, 95 percent of exhibit, public outreach, and education visitors are highly satisfied with their visit experience.

**FY 2009 Resources Available to Meet This Goal:** \$23,638,000; 191 FTE

### 5.1 ACCESS THROUGH MUSEUMS

#### FY 2009 Objectives

- ☒ Analyze data from the American Association of State and Local History Museums (AASLH) study.
- ☐ Issue report on NARA's 12 Presidential Library museum programs.

#### Results

*"I understand the importance of history more after seeing the documents."*

- ✓ NARA's AASLH study results indicate high levels of overall satisfaction among our museum visitors.

*"I spent 20 years protecting this country; I'd gladly do it again after viewing these marvelous documents."*

- ✓ We prepared a report on alternative models for Presidential Libraries in response to a Congressional request.

**Discussion:** The National Archives plays a unique and important role in the promotion of civic literacy. As the keeper of the records of the Government, we have literally safeguarded the documentary record of American history. This record belongs to the American people. From the Charters of Freedom, to the census records that enumerate our country's population, to the records of Congress and Presidential Administrations, our holdings are so vast and diverse that the value and amount of information available is not always readily apparent to the public. We continually educate the public about the treasure trove of information and services we offer. Museum programs are an inspiring way for people to understand their own personal connection to the records in the National Archives.

Our museums offer a variety of public experiences throughout the United States. The National Archives Experience, launched in FY 2005 with the opening of the Public Vaults exhibit, the McGowan Theater, and O'Brien Traveling Exhibits Gallery, continues to grow in scope and impact. Presidential Libraries and museums play a vital role in promoting an understanding of not only the Presidency, but also American history and democracy. This year we celebrated the 75<sup>th</sup> anniversary of the National Archives and showcased an exhibit which featured "big records, big documents, and big events." This exhibit, titled

"BIG!," hosted in Washington, DC, and at several of our regional locations, displayed various original documents in full scale. Anniversary events were held throughout our regional locations.

Our patrons often indicate their increased appreciation of history, the value of the written record and the influence of the past on the present. We relish the opportunity to advance civic literacy through the many venues that we offer. In late FY 2007 through FY 2008, using the American Association of State and Local History Museums (AASLH) measurement instrument, we surveyed customers for vital feedback on the museum and museum programs in Washington, DC. We wanted to gain insight of the degree to which our exhibits have had a meaningful impact on visitors. The final survey week concluded in early FY 2009 and we compiled the surveys and sent them to AASLH for analysis. We learned that although our overall customer satisfaction ranked 8.9 on a 10 point scale, for us to reach the top tier of museums, we need to consider improvements to the logistics and content in the Rotunda to enhance customer experiences.

Using technology to deliver our programs, we opened our doors to social media and Web 2.0 technologies. The public can find the National Archives on *YouTube*, *Flickr*, and *Facebook* and access a host of information. By inserting the National Archives in venues where potential customers reside, we have discovered invaluable methods to communicate and interact with our customers to advance civic literacy.

Last year, we initiated a study of 12 of our Presidential Libraries. The Libraries prepared profiles documenting the status of their programs with an eye toward planning the future direction of the museums. In FY 2009, we worked to consolidate the input from this study. We also completed and issued a report requested by Congress to examine alternative models for Presidential Libraries.

<b>Performance Data</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Number of physical visitors to NARA museums, exhibits, research rooms and programs (in millions).	3.0	3.0	3.2	3.2	3.9

*FY 2010 Performance Plan Evaluation* We will incorporate logistical improvements and enhancements to improve the Rotunda experience. We plan to complete our study of the Presidential Libraries.

## 5.2 CUSTOMER SATISFACTION WITH OUR PROGRAMS

### **FY 2009 Objectives**

- ☒ 95 percent of NARA education, public outreach, and exhibit visitors are highly satisfied with their visit experience.
- ☐ Implement Presidential Library education program survey.

### **Results**

- ✓ More than 97 percent of our visitors (who offered voluntary ratings) were highly satisfied with their visit experience.
- ✓ We drafted an education survey instrument in preparation for submission to OMB for approval.

*Discussion:* We deliver a wide variety of experiences for visitors throughout the National Archives through physical visits, online, and offline publications, video conferences, web-casts, and most recently, through social media and Web 2.0 applications. Our approach allows us to reach audiences through many different venues and capture feedback on their experience. While studies indicate that visitor satisfaction correlates with learning; we value the opportunity to fulfill and enrich our visitors through our educational programs. This year, 99 percent of our programs were rated as having met attendees' expectations.

In our Office of the Federal Register, we conduct monthly workshops with the public and Federal agency regulation writers to inform attendees about the Federal regulatory process and the role of the *Federal Register*. Our overall goal is to promote a better understanding of the system and increase public participation. The feedback we receive consistently assures us that we have met attendees' expectations.

We conduct numerous teacher workshops throughout the year. Our workshops serve from ten to more than 1,000 attendees, especially when applying technology such as videoconferencing to reach our nationwide audiences. We train Federal employees to recognize and save permanently valuable records of the Federal Government and we offer workshops for archival professionals to enhance their understanding of archival principles. Our customers tell us that programs such as our *Introduction to Genealogy* and *Help, I'm Stuck* are very helpful to both new and experienced genealogists.

During the year, we expanded our public outreach activities. We initiated an Archival Expert Series in which archival staff share information on archival treasures discovered in the holdings; a noontime film series featuring films from our holdings; and a lecture series featuring authors whose research reflect the holdings of the National Archives.

In the Presidential Libraries, we continued to seize opportunities to advance civic literacy. We continue to host robust museum, education, and public program offerings. In FY 2009, every Presidential Library held a series of national issues forums, community-oriented discussions on pertinent topics such as health care, energy, and the economy. A number of Libraries, including Truman, Kennedy, Johnson, and Ford Libraries sought creative ways to increase teacher awareness through ongoing teacher newsletters that highlight upcoming educational opportunities. New teacher workshops offered by the Libraries include Teaching American History Grant workshops, the Truman Library's Symposium, "*Between the Wars*," and the Johnson Library's new teacher seminar, which brought together scholars and educators from over seven NARA facilities. We hosted a number of special exhibits including the highly popular "*School House to White House*" exhibit, exhibits on space exploration at the Johnson and Bush Libraries, and "*Treasures of a President*" at the Roosevelt Library.

We began work on an education program survey to measure customer satisfaction. Work on the Presidential transition took priority, but we plan to have the instrument ready for OMB review in FY 2010.

<b>Performance Data</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<i>Performance target for percent of education, public outreach, and exhibit visitors who are highly satisfied with their visit experience.</i>	95	95	95	95	95
Percent of education, public outreach, and exhibit visitors who are highly satisfied with their visit.	96	96	96	97	97



Performance Data	2005	2006	2007	2008	2009
Number of rated education programs, workshops, and training courses.	547	605	606	632	632
Number of attendees at rated education programs, workshops, and training courses.	9,248	10,394	10,229	11,246	11,649

*FY 2010 Performance Plan Evaluation* We will develop an education program survey to identify and prioritize ways to enhance teaching programs at the Presidential Libraries. We will implement improvements in the Rotunda based on feedback obtained from the AASLH survey.

## Strategic Goal 6: Infrastructure

### *We will equip NARA to meet the changing needs of our customers*

#### Long-Range Performance Targets

6.1. By 2016, 95 percent of employees possess the core competencies that were identified for their jobs.

6.2. By 2016, the percentages of NARA employees in underrepresented groups match their respective availability levels in the Civilian Labor Force (CLF).

6.3. By 2016, public network applications are available 99 percent of the time.

**FY 2009 Resources Available to Meet This Goal:** \$38,287,000; 184 FTE

#### 6.1 RECRUITMENT AND DEVELOPMENT

#### **FY 2009 Objectives**

- ☐ Maintain 95 percent of staff development plans linked to strategic outcomes.
- ☒ Maintain 95 percent of employee performance plans linked to strategic outcomes.
- ☒ Develop NARA's Strategic Human Capital Plan.

#### **Results**

- ✓ We maintained 67 percent of staff development plans linked to strategic outcomes.
- ✓ We maintained 96 percent of employee performance plans linked to strategic outcomes.
- ✓ We completed our first Strategic Human Capital Plan, a 5-year plan to address the agency's strategic management of human capital.

*Discussion:* Annually, we align employee performance plans and staff development plans to our agency's mission and strategic goals. We recognize the importance of the plans and the value in employees understanding how their work ties either directly or indirectly to the agency's mission, and in large part, to the *NARA Strategic Plan*. We use our performance plans and staff development plans to document this connection.

Staff use the development plans to identify training requirements, navigate career paths, understand Government operations, or close or narrow skill gaps in core competencies. We document opportunities to network, mentor, cross-train, and shadow both internal and external to our agency. Our Learning Management System, NARA's online training tool, delivers and tracks training throughout the agency. This year 96 percent of employee performance plans and 67 percent of NARA's staff development plans linked to strategic outcomes. Although we strive to meet these goals each year, we experienced a drop in our development plans. We conducted staff assessments in one of our offices

to determine competencies and identify development requirements. Documenting development requirements in the staff development plans will be an outgrowth of this exercise.

In several offices throughout NARA, we implemented a methodology and process to move organizations toward high performance. Some offices used the model to establish an organizational strategic plan, others used the model to identify and institute process improvement in their offices, and still other offices used the model to re-organize and identify skill deficits within the organization. This model encourages employee development in the areas of leadership, management, and teamwork, and presents ways to operate more effectively and efficiently.

We completed and issued our five-year Strategic Human Capital Plan. This plan provides direction for NARA's most significant workforce management challenges and opportunities. We presented five strategic goals and numerous supporting strategies to describe our plan to recruit, develop and strengthen, and retain our human capital resources to achieve mission success. We developed the plan with input and feedback from program offices, NARA staff, and the union. As we implement various human capital activities, we will monitor performance results and assess our human capital programs, decisions, and actions. We will re-evaluate the plan every five years to ensure continued alignment with the NARA Strategic Plan and assess the current environment to validate that the plan reflects our current state, addresses deficiencies, and reflects our need for an alternative course of action.

<b>Performance Data</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<i>Performance target for percent of permanent staff having staff development plans that link to strategic outcomes.</i>	95	95	95	95	95
Percent of permanent staff having staff development plans that link to strategic outcomes.	77	76	96	88	67
Number of permanent staff having staff development plans that link to strategic outcomes.	2,071	1,970	2,372	2,223	1,750
Number of permanent staff.	2,690	2,656	2,520	2,533	2,670
Average time (in calendar days) to fill a leadership position.	82	42	39	55	65
<i>Performance target for percent of staff having performance plans that link to strategic outcomes.</i>	95	95	95	95	95
Percent of staff having performance plans that link to strategic outcomes.	94	95	97	98	96
Number of staff having performance plans that link to strategic outcomes.	2,560	2,530	2,479	2,510	2,573

*FY 2010 Performance Plan Evaluation* NARA will develop an accountability system to monitor and evaluate our human capital management policies, practices, and programs.

#### 6.2 EQUAL EMPLOYMENT OPPORTUNITY

##### **FY 2009 Objectives**

- ☒ Increase the percentage of applicants pools with applicants in underrepresented groups for positions in grades 13 and above over the percentage in FY 2008.

**Results**

- ✓ The diversity in our applicant pools decreased by 15 percent for grades 13 and above.

*Discussion:* NARA strives to achieve a workforce that reflects the demographics of our nation's diverse workforce. We have met this goal for one of our underrepresented groups (i.e. Women, Blacks, Latino-Hispanic, Asian American/Pacific Islander, American Indian/Alaskan Native, and persons with targeted disabilities); however, we must focus on improving our performance in hiring and promoting people in underrepresented groups by continuing our efforts to expand recruiting techniques, analyze pertinent personnel information, and implement staff development programs.

This year, we continued to experience a low number of applicant pools at the GS 13-15 level. The majority of GS 13-15 applicant pools this year were from announcements targeted to current Federal employees or NARA-only employees. Because neither the Federal workforce, nor the NARA workforce, is as diverse as the civilian labor force, we faced limitations in our ability to attract additional diversity to the NARA workforce. Although we have not achieved steady growth in the applicant pools, we do maintain a diverse workforce across all GS grade levels.

We recognize the need to improve performance in hiring and promoting people in underrepresented groups. Efforts underway to expedite progress include expanded recruitment techniques, collection and analysis of relevant personnel management data, and the implementation of staff development programs. In response to Federal requirements, we outlined numerous strategies in our 2009 Federal Equal Opportunity Recruitment Program (FEORP) to increase the representation of women and minorities at all levels at NARA. Our strategies focus on expanded partnerships with minority-serving universities, education associations, and professional organizations; attendance and networking at minority conferences and job fairs; and facilitating the use of developmental assignments that offer on-the-job training for women and minorities.

<b>Performance Data</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<i>Performance target for percent of applicant pools for positions at grades GS-13 and above that contain people in underrepresented groups.</i>	93	96	87	77	92
Percent of applicant pools for positions at grades GS-13 and above that contain people in underrepresented groups.	95	87	76	91	77
Number of applicants for positions at grades GS-13 and above.	1,725	677	194	259	148
Number of applicant pools for positions at grades GS-13 and above.	153	86	37	54	30
Number of pools for positions in grades GS-13 and above that had self-identified applicants in protected classes.	145	75	28	49	23

<i>Percent of Civilian Labor Force rate used to determine if underrepresented groups met employment target.</i>	80	90	100	100	100
Underrepresented groups of employees meeting target (checkmark indicates target met or exceeded)					
– Women	✓	✓	✓	✓	✓
– Black					
– Latino-Hispanic					
– Asian American/Pacific Islander					
– American Indian/Alaskan Native					
– Targeted disability	✓	✓	✓	✓	

*FY 2010 Performance Plan Evaluation* Improving performance in hiring and promoting people in underrepresented groups is an ongoing effort to achieve a workforce that mirrors the society that we live in.

### 6.3 INFORMATION TECHNOLOGY

#### **FY 2009 Objectives**

- ☒ Public network applications are available 98.84 percent of the time.
- ☒ Award the NARA IT support services contract.
- ☒ Determine strategy and develop Concept of Operations for integration and management of remote access for mobile users.
- ☐ Update network capacity across the enterprise by increasing bandwidth.
- ☐ Upgrade the telephone infrastructure.

#### **Results**

- ✓ Public network applications are available 99.52 percent of the time.
- ✓ We awarded a multi-year NARA IT support services contract to Capstone Corporation covering IT operations and maintenance support services for NARA.
- ✓ We drafted a strategy and Concept of Operations for a secure, remote access solution to support access to Federal telework initiatives.
- ✓ We completed a partial implementation of our high speed network which includes increased bandwidth and enhanced capabilities and support for digitized voice services.
- ✓ We upgraded our telephone infrastructure to include enhanced features such as 5-digit dialing at all NARA sites and automatic call distribution

for help desk support.

*Discussion:* Every year, we rely more heavily on technology to conduct business with the public, to perform our jobs, and to facilitate communications. Our technological tools are essential resources that we use to communicate with our customers, provide access to digital records and research, and create venues for customers to visit our facilities and experience our exhibits through virtual worlds. The tools offer flexibility and consistency in work processes and operations. NARA hosts several applications that are available to the public through the Internet. These systems support a variety of business applications and must be available to the public at all times. The requirements of both NARA's customers and staff using our public network applications necessitates that these tools remain stable, secure, and continuously available (i.e. 24x7). Often system upgrades or scheduled maintenance require that a system become unavailable; however, we target off-peak times to impact as few as possible. Maintaining this level of efficiency requires monitoring of our resources and services to ensure optimal performance. This year we exceeded our target to ensure availability of public network applications.

In FY 2009, we awarded a new NARA IT and Telecommunications Support Services (NITTSS) contract to establish and sustain efficient management of the NARA IT infrastructure and provide improved IT services. Under this contract we integrated telephone responsibilities with information technology operations to manage these network services and communications as a unified operation. We have implemented improvements such as enhanced support to our Presidential Libraries and full time system administrators at our field offices to strengthen the quality of services supporting NARANET users at our Presidential Libraries and regional locations.

To support Federal telework initiatives, we developed a strategy to integrate and manage remote access for mobile users. We developed a policy for token management and distribution and implemented a solution to provide NARA users with secure access to our internal network from remote locations. We piloted our solution among a representative sample of NARA users before offering secure access to staff eligible to telework in the agency. Using a standard remote access technology, two-factor authentication, our staff can now access the internal network to conduct their work external to NARA facilities.

Many of the IT services that we provide depend on a robust network infrastructure to facilitate optimal performance. This becomes most crucial as we add applications and users to our network and steadily increase the volume of digitized holdings. This year we increased the bandwidth of our network by updating network capacity across the entire enterprise. To reduce network congestion and improve telecommunications and access for remote users, we increased bandwidth at several of our field sites.

<b>Performance Data</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Percent of public network availability.	99.9	100	100	100	100
<i>Performance target for percent availability of public applications.</i>	97	98.9	98.80	98.83	98.84
Percent of public network applications availability.	98.9	98.9	99.4	99.5	99.5
Number of total hours that any public network application was unavailable.	923	830	504	424	414
Number of uses of public network applications (in millions).	6.6	6.7*	6.5*	8.8	7.0

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<b>Performance Data</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Cost per network user for public applications.	\$0.24	\$0.24	\$0.63	\$0.40	\$0.45
Percent of customer's highly satisfied with NARA helpdesk services (average for year).	—	—	65	83	87

*\*This data is not reliable because it reflects bot invasions that we are now able to exclude from later data.*

*FY 2010 Performance Plan Evaluation* We will continue to improve our NARA IT infrastructure to ensure the performance meets our business need. We will work to expand and integrate telework capabilities into agency operations.

## FY 2009 PROGRAM EVALUATIONS

### ***Strategic Goal 2: Preserve and Process***

Office of Inspector General, OIG Report 09-01, *Audit of the Controls over Presidential Library Textual Records*, January 14, 2009.

The NARA Office of Inspector General (OIG) performed an audit of the internal controls to determine if sufficient management controls exist to safeguard and account for Presidential Library textual records. There were four recommendations made in the audit report. We have undertaken a comprehensive review of our policies on holdings protection to address these recommendations.

Office of Inspector General, OIG Report 09-04, *Audit Memorandum: Regional Archives Compliance with Procedures for Controlling Specially Protected Records*, January 15, 2009.

The Inspector General issued this memorandum to inform the Assistant Archivist for Regional Records Services of regional archives non-compliance with procedures intended to provide additional protection to a subset of archival holdings known as Specially Protected Holdings (SPRA). There are four recommendations associated with this audit memorandum. We have undertaken a comprehensive review of our policies on holdings protection to address these recommendations.

Office of Administrative Services, *Physical Security, OSHA, and Accessibility Inspection*, May 2009.

The office conducted an inspection of the Northeast Regional Records Center in Waltham, MA. There were two findings identified in this report, both of which remain open.

### ***Strategic Goal 3: Electronic Records***

Office of Inspector General, OIG Report 09-08, *Management Letter: Award Fee Program for the Electronic Records Archives Development Contract*, January 15, 2009.

This management letter is to inform the Acting Archivist that the ERA development contract award fee program is not functioning in an efficient and effective manner. The management letter makes no specific recommendations, but details two conditions and nine issues.



Government Accountability Office, GAO-09-733, *The National Archives and Records Administration's FY 2009 Expenditure Plan*, July 2009.

GAO's objectives in reviewing the expenditure plan were to determine the extent to which the expenditure plan satisfied the six legislative conditions specified in the Appropriations Act. GAO acknowledged NARA's continuing progress with ERA, and made five recommendations to better quantify our progress.

### **Strategic Goal 4: Access**

Office of Inspector General, Report 09-12, *Management Letter: Redaction Process at the National Personnel Records Center (NPRC)*, April 29, 2009.

With this management letter, the OIG brings to the Acting Archivist's attention that the NPRC has used a redaction practice that the auditor believes may compromise the privacy of the veteran. There are no specific recommendations associated with this management letter.

Office of Inspector General, Report 09-16, *Audit of NARA's Processing of Military Records (CMRS)*, September 30, 2009.

The objective of this audit was to assess the management controls over the processing and distribution of veterans' record requests. Specifically, the OIG determined whether the process was sufficient to properly safeguard veterans' information in accordance with the Privacy Act and OMB policies. There are 14 recommendations associated with this audit.

Office of Inspector General, Report 09-17, *Management Letter: Failure to Provide Complete Information on Records Requests at the National Personnel Records Center (NPRC)*, September 29, 2009.

With this management letter, the OIG brings to the Acting Archivist's attention that for all armed services except the USMC, the NPRC routinely withholds records requested by veterans and their next of kin without notifying the requester. There are no specific recommendations in this letter.

### **Strategic Goal 6: Infrastructure**

Office of Inspector General, OIG Report 09-02, *Clifton-Gunderson LLP (CG) Audit of the National Archives and Records Administration FY 2008 Financial Statements*, December 4, 2008.

The Inspector General contracted with Clifton Gunderson (CG) to conduct an audit of NARA's FY 2008 financial statements. CG made 13 recommendations to correct matters involving internal control and operations. Nine of these recommendations are closed and the remaining four will carry forward to the next report.

Office of Inspector General, Report 09-05, *Audit of NARA's Transition to Internet Protocol Version 6 (IPv6)*, March 11, 2009.

The objective of this audit was to assess NARA's efforts to transition to IPv6. Specifically, the auditor sought to determine whether NARA complied with the OMB mandate and, if not, to identify what major obstacles or challenges exist and whether a plan for compliance has been developed. There are five recommendations associated with this audit, two of which remain open.

Office of Inspector General, Report 09-09, *Audit of NARA's Change Control Process*, May 6, 2009.

The objective of this audit was to determine whether NARA authorizes, documents, tests, and controls changes to its information systems. Specifically, the auditor reviewed whether the NARA change control process included (a) documenting, approving, testing, and reviewing of system changes; (b) security impact analysis; and (c) adequate management and control of emergency changes. There are eight recommendations associated with this audit, all of which remain open.

Office of Inspector General, Report 09-10, *Audit of NARA's Workers' Compensation Program (WCP)*, March 6, 2009.

The overall objectives of this audit were to determine whether management controls were adequate for ensuring (1) the efficiency, effectiveness, and integrity of NARA's WCP and (2) whether NARA complied with established FECA regulations. There are six recommendations associated with this audit, five of which remain open.

Office of Inspector General, Report 09-13, *Audit of NARA's Vehicle Fleet Management*, August 26, 2009.

The objective of this audit was to determine if fleet vehicles are adequately utilized and fleet resources are properly controlled. The OIG audit focused on NARA fleet management activities. The audit included onsite visits to College Park, MD (AII), Washington, DC (AI), Suitland, MD, and the National Personnel Records Center (NPRC) in St Louis, MO. The two OIG vehicles were not included in the scope of this report. There are 12 recommendations associated with this audit, all of which remain open.

Office of Inspector General, Report 09-15, *Audit of NARA's Work at Home System (WAHS)*, September 29, 2009.

The objective of this audit was to determine whether the WAHS was developed in accordance with NARA requirements and efficiently and effectively met the requirements of the OMB memorandum M-06-16, Protection of Sensitive Agency Information. Specifically, they sought to determine whether the project proposal, plan, and approval were completed in accordance with NARA requirements and whether technical requirements were developed to meet OMB requirements for

remote access. The audit was limited to the development, testing, pilot, and implementation of the WAHS. There are seven recommendations associated with this audit.

### ***Multi-Goal Evaluations***

Office of Inspector General, OIG Report 09-14, *Evaluation of Management Control Program for FY 2008*, July 28, 2009.

The Inspector General reviewed NARA's FY 2008 Management Control Program. There are four recommendations associated with this report. All four remain open.

Office of Regional Records Services, *Program Review*, January 2009.

The office conducted a program evaluation of the Southwest Region in Fort Worth. There were four recommendations made in this report, all of which remain open.

Office of Regional Records Services, *Program Review*, June 2009.

The office conducted program evaluations of the Great Lakes Region in Chicago, Dayton, and Kingsridge. There were three recommendations made in this report, all of which remain open.

Office of Presidential Libraries, *Program Review*, February 2009.

The office conducted a program review of the Richard Nixon Library in College Park, MD. There were 12 recommendations made in this report, all of which remain open.

Office of Presidential Libraries, *Program Review*, April 2009.

The office conducted a program review of the Lyndon B. Johnson Library, in Austin, TX. There were 33 recommendations made in this report, 21 of which remain open.

Office of Presidential Libraries, *Program Review*, June 2009

The office conducted a program review at the Herbert Hoover Library, in West Branch, IA. The final report will be issued in November 2009.

Office of Presidential Libraries, *Administrative Program Review*, July 2009

The office conducted a program review at the Harry S. Truman Library, in Independence, MO. There were 23 operational findings made in this report, all of which remain open.

## **Federal Records Management Evaluations**

Under 44 USC 2904(c)(8), the Archivist of the United States is required to report to Congress and OMB annually on the results of records management activities. NARA fulfills this requirement through the Performance and Accountability Report. This report focuses on Federal agency activities related to identifying, scheduling, and transferring electronic records to NARA, as well as reporting on allegations of unauthorized disposal or removal of Federal records. We also recognize the four agencies who received special awards for effective records management at NARA's annual Records Administration Conference in May 2009.

### ***Records Management Achievement***

In FY 2009, NARA presented Archivist Achievement Awards to the following agencies for demonstrated success in implementing effective records management tools or practices:

- Bureau of Reclamation, the Department of Interior (BoR)
- U.S. Environmental Protection Agency (EPA)
- U.S. Marine Corps, the Department of Defense (USMC)
- National Reconnaissance Office (NRO).

BoR received its award for the successful design and implementations of its Reclamation Electronic Records Document System (REDS). EPA received two awards – the first for establishing an agency-wide document and records management task force to review existing practices, and a second award for developing and implementing an Enterprise Content Management System for capturing e-mail records. The U.S. Marine Corps received an award for its development of a records management web portal. The NRO received the final award in FY 2009 for its partnership with the agency Inspector General to improve the efficiency of its records management program.

### ***Electronic Records Management***

In FY 2009, NARA continued its partnerships with Federal agencies to increase the number of electronic records series and systems scheduled across the Government and to increase the number of permanent electronic records transferred to the National Archives. Continuing the approach begun in 2004 following the passage of the E-Government Act of 2002, NARA concentrated on the important electronic records of the CFO Act agencies to ensure that all existing records are scheduled by the September 30, 2009, deadline established by NARA in accordance with the Act. These efforts will ensure that agency business assets are maintained for as long as needed, to protect the legal and financial rights of the Government and its citizens, and to preserve records of enduring historical value. We will report the results of Federal agency compliance with the E-Government Act in a separate report to Congress and OMB in FY 2010.

### ***Records Scheduling***

In FY 2009, NARA set a goal to work with Federal agencies to schedule 498 electronic records series and electronic systems from the following CFO Act agencies and their components and bureaus:

Department of Homeland Security  
Department of Health and Human Services  
Department of Transportation  
Department of Justice  
Department of the Treasury  
Environmental Protection Agency  
Department of Commerce  
Department of Interior  
Department of Education  
Department of Agriculture  
Department of Labor  
Central Intelligence Agency  
Department of Defense  
Department of State  
Nuclear Regulatory Commission

With agencies devoting more attention and resources to scheduling to comply with the E-Government Act deadline of September 30, 2009, NARA exceeded its target goal of 498 by 55 percent, approving 770 electronic series and systems. By contrast, in FY 2008, NARA approved 451 electronic records series and electronic systems. Looking ahead to FY 2010, NARA will continue to work with agencies to identify and schedule all their electronic records series and systems. Although the September 30, 2009, deadline has passed, NARA will continue to provide oversight in this area until all agencies are compliant with the requirements of the E-Government Act.

NARA will publish a report to Congress and OMB in FY 2010 summarizing the work completed with agencies over the past five years to schedule all their electronic records series and systems. While that report will include more detail than is provided below, the following sections discuss selected agency achievements and other areas where NARA believes serious risks in agency records management programs need to be addressed.

### ***Agency Recognition***

The following agencies made dramatic progress in ensuring that all their existing electronic records are scheduled.

*Department of State.* In FY 2009, the Department of State added new staff to concentrate on scheduling their electronic records. The increase in staff resources led to new records schedules submitted to NARA covering more than 30 electronic records systems. With the submission of these schedules, the Department of State has submitted all of the major systems to NARA for review and approval and is now compliant with the E-Government Act requirements.

*Department of the Treasury.* The Department of the Treasury emphasized electronic records scheduling at its Departmental Offices and nine bureaus. They held regular meetings and developed progress reports, and as a result, the Department is 100 percent compliant. With extensive training for staff, partnership with NARA, and focused records management staff, the Department was able to schedule a total of 926 identified series and systems of electronic records, including 26 websites for Treasury offices.

*Food and Drug Administration (FDA).* FDA, a component of the Department of Health and Human Services (HHS), has worked diligently over the past four years to schedule their electronic records and reach 100 percent compliance by the September 30, 2009, deadline. In FY 2009 alone, the FDA worked with NARA to gain approval of disposition authorities for 32 series of electronic records and systems.

*Southwestern Power Administration (SWPA).* Headquartered in Tulsa, Oklahoma, SWPA completed a three-year project working closely with NARA to complete an agency-wide records inventory and a comprehensive records retention schedule for all their records series and systems. The final records schedule includes 230 separate records series and systems.

### **Challenges and Risks**

Continuing the practice begun in FY 2008, NARA is reporting on agencies where we believe there are significant records management program risks. The following agencies have not devoted sufficient resources to scheduling their records and they have resisted outreach requests from NARA staff. NARA is concerned that these agencies are at high risk for litigation because they have not identified and scheduled their records for disposition.

*Defense Intelligence Agency (DIA).* The Defense Intelligence Agency has scheduled 3 series of electronic records out of 498 they have identified, or less than 1 percent of their total electronic records. Despite several years of NARA seeking to provide additional assistance to them, DIA has been unable to successfully focus on scheduling their electronic records. While DIA is in the process of producing a schedule to cover all of their electronic records, the agency's commitment and ability to properly schedule its records remains a concern.

*Defense Information System Agency (DISA).* Since FY 2004, DISA has not submitted any records schedules – electronic or otherwise – for NARA review. NARA has provided briefings for agency staff, including the Chief Information Officer; however, there has yet to be any significant progress in identifying and scheduling their records.

*Health Resources and Services Administration (HRSA).* HRSA, within HHS, did not submit any records schedules to NARA to meet the September 2009 electronic records scheduling deadline. By their own accounting, only 3 percent of their electronic records are covered by a NARA-approved records schedule. In fact, HRSA has not submitted a records schedule to NARA for the past six years (i.e., since November 2003). In the past 15 years, HRSA has devoted very few resources to scheduling any of its records; in that time it only submitted seven records schedules to NARA covering 10 series of records.

*Joint Staff (JS), Combatant Commands (COCOMS).* Through Department of Defense (DoD) Instruction 5015.2, DoD Records Management Programs, the JS has administrative oversight of the COCOMS Records Management Programs. Joint Staff has submitted records schedules for Transportation Command's (TRANSCOM) electronic records, but not for the electronic records of the other COCOMS. Because the COCOMS – especially Central Command (CENTCOM) – play such a vital role in our war efforts in Iraq and Afghanistan, locating, scheduling, and preserving their records is a top priority for NARA.

*US Marshals Service.* The US Marshals Service, a component of the Department of Justice, has not submitted any records schedules for electronic records since 2000, and no records schedules for any format since 2003. The records of the Marshals Service are high value records that protect citizen rights and provide government accountability.

### ***Electronic Records Transferred to NARA***

As of September 30, 2009, NARA registered 139 new accessions of electronic records from 39 agencies, including three from the US Supreme Court and three from the US Senate. Two transfers came from Temporary Commissions. In FY 2009, NARA also targeted a selection of CFO Act agencies and their components to bring into the National Archives the electronic records scheduled as permanently valuable and eligible for transfer.

The following agencies transferred new accessions of electronic records to the National Archives in FY 2009 for permanent preservation:

Department	Agency	Number of Accessions in FY 2009
Department of Agriculture	Agricultural Marketing Service	1
Department of Commerce	Bureau of the Census	30
Department of Commerce	National Oceanic and Atmospheric Admin	1
Department of Defense	Inspector General	1
Department of Defense	Office of the Secretary of Defense	9
DOD, Department of the Army	Army Staff	1
DOD, Department of the Navy	Bureau of Naval Personnel	4
DOD, Department of the Navy	U.S. Naval Academy	5
Department of Education	Department of Education	4
Department of Energy	Department of Energy	1
Department of Health and Human Services	Agency for Health Care Research and Quality	11
Department of Health and Human Services	Centers for Disease Control and Prevention	23
Department of Homeland Security	U.S. Customs and Border Protection	1
Department of Housing and Urban Development	Department of Housing and Urban Development	1
Department of Justice	Federal Bureau of Investigation	2
Department of Justice	Office of the Pardon Attorney	1
Department of Labor	Bureau of Labor Statistics	2
Department of the Interior	Bureau of Land Management	6
Department of the Interior	U.S. Geological Survey	1
Department of State	Broadcasting Board of Governors	1
Department of State	Department of State	1
Department of State	U.S. Information Agency	1
Department of the Treasury	Bureau of Public Debt	1
Department of the Treasury	Office of Foreign Assets Control	1
Department of Transportation	Federal Aviation Administration	4
Environmental Protection Agency	Environmental Protection Agency	2
Federal Communications Commission	Federal Communications Commission	2

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Department	Agency	Number of Accessions in FY 2009
Federal Election Commission	Federal Election Commission	1
Federal Reserve System	Federal Reserve System	3
Merit Systems Protection Board	Merit Systems Protection Board	1
National Archives and Records Administration	National Archives and Records Administration	1
National Aeronautics and Space Administration	National Aeronautics and Space Administration	1
National Endowment for the Arts	National Endowment for the Arts	2
National Science Foundation	National Science Foundation	1
Nuclear Regulatory Commission	Nuclear Regulatory Commission	1
Office of Personnel Management	Office of Personnel Management	1
Temporary Committees, Commissions and Boards	Temporary Committees, Commissions and Boards	2
Tennessee Valley Authority	Tennessee Valley Authority	1
United States Senate	U.S. Senate	3
United States Supreme Court	U.S. Supreme Court	3
	<b>TOTAL</b>	<b>139</b>

The table below identifies the agencies that we targeted for transfer of permanent electronic records, the number of accessions they transferred, and the related number of targeted items. The 117 transfers/accessions from agencies with FY 2009 targeted disposition authorities accounted for 84 percent of all electronic records transfers this year.

Targeted Agency	Dept	Disposition Authorities (Items) Targeted FY 2009	Accessions Received FY 2009	Targeted Disposition Authorities for Accessions Received FY 2009	FY 2008 Targeted Disposition Authorities NOT Received as of 9/30/2009
Army	Army	2	1	1	1
Navy	Navy	4	9	4	0
Bureau of Land Management	DOI	2	6	0	2
Agency for Health Care Research and Quality	HHS	2	11	1	0
Center for Disease Control and Prevention	HHS	1	23	1	0
Commerce, Bureau of the Census	DOC	12	30	9	3
Defense, Natl Geospatial Intell Agency	DOD	1	0	0	1
Defense, Office of the Secretary	DOD	7	9	4	3
Education, Department of	DOEd	8	4	4	4



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<b>Targeted Agency</b>	<b>Dept</b>	<b>Disposition Authorities (Items) Targeted FY 2009</b>	<b>Accessions Received FY 2009</b>	<b>Targeted Disposition Authorities for Accessions Received FY 2009</b>	<b>FY 2008 Targeted Disposition Authorities NOT Received as of 9/30/2009</b>
Energy, Department of	DOE	6	1	1	5
Environmental Protection Agency	EPA	2	2	1	1
Federal Aviation Administration	DOT	4	4	4	0
Federal Bureau of Investigation	DOJ	1	2	1	0
Federal Emergency Management Agency	DHS	2	0	0	2
Federal Supply Service	GSA	1	0	0	1
Fish and Wildlife Service	DOI	2	0	0	2
Forest Service	USDA	2	0	0	2
U.S. Customs and Border Control	DHS	1	1	1	0
U.S. Secret Service	DHS	1	0	0	1
Housing and Urban Development, Depart of	HUD	2	1	1	0
Justice, Bureau of Alcohol, Tobacco, Firearms & Explosives	DOJ	4	0	0	4
Justice, Off of Justice Programs	DOJ	1	0	0	1
Interior, Department of	DOI	4	0	0	4
Internal Revenue Service	Treas	1	0	0	1
Labor, Bureau of Labor Statistics	DOL	2	2	0	2
Labor, Dept of	DOL	1	0	0	1
Labor, Mine Safety and Health Administration	DOL	1	0	0	1
National Aeronautics and Space Administration	NASA	2	1	1	1
National Oceanic and Atmospheric Administration	DOC	3	1	0	1
National Park Service	Interior	1	0	0	1
National Science Foundation	NSF	1	1	1	0
Nuclear Regulatory Commission	NRC	1	1	1	0
Office of Personnel Management	OPM	2	1	2	0
State, Department of	State	4	1	1	3
Tennessee Valley Authority	TVA	1	1	1	0
Transportation, Dept of	DOT	4	0	0	4
Transportation, Federal Railroad Admin	DOT	1	0	0	1
Treasury, Bureau of the Public Debt	Treas	1	1	1	0

Targeted Agency	Dept	Disposition Authorities (Items) Targeted FY 2009	Accessions Received FY 2009	Targeted Disposition Authorities for Accessions Received FY 2009	FY 2008 Targeted Disposition Authorities NOT Received as of 9/30/2009
Treasury, General Records	Treas	1	1	1	0
U.S. Geological Survey	USGS	2	1	2	0
U.S. Information Agency	State	1	1	1	0
<b>Total</b>		<b>102</b>	<b>117</b>	<b>45</b>	<b>57</b>

### ***Alleged Unauthorized Disposition of Federal Records***

Under 44 USC 3106, Federal agencies are required to notify the Archivist of the United States of any alleged unauthorized disposition of the agency's records. NARA also receives notifications from other sources such as the news media and private citizens. NARA establishes a case to track each allegation and communicates with the agency until the issue is resolved. Summary statistics on FY 2009 cases are as follows:

Open cases, start of FY 2009: 19 \*  
Cases opened in FY 2009: 10  
Cases closed in FY 2009: 6  
Open cases, end of FY 2009: 23

\* Figure includes US Office of Government Ethics case inadvertently omitted from the FY 2008 PAR.

Of the 23 cases open at the end of FY 2009, nine cases are involved in ongoing litigation and three cases are under investigation by the agency. NARA monitors the status of these cases and is not reporting them here. The following two tables list the eleven cases that are open and pending a response from the agency and the six cases that were closed in FY 2009.

### ***Cases Awaiting Agency Response or Follow-Up***

Case Opened	Agency	Records	Status
August 1998	<b>Dept. of Army,</b> Office of Deputy Chief of Staff for Operations and Plans	Records of action officers	Awaiting agency response or follow-up
March 1999	<b>Dept. of Interior,</b> Bureau of Indian Affairs	Records of Crow Agency, Montana	Awaiting agency response or follow-up
May 2007	<b>Executive Office of the President,</b> Office of Administration	Federal records in White House e-mail system	Awaiting agency response or follow-up
July 2007	<b>Federal Labor Relations Authority</b>	Records of FLRA Chair	Awaiting agency response or follow-up

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<b>Case Opened</b>	<b>Agency</b>	<b>Records</b>	<b>Status</b>
April 2008	<b>Dept. of Defense,</b> Office of Secretary of Defense	Video recordings of interrogations	Allegation founded- awaiting corrective action
May 2008	<b>Dept. of Defense,</b> Defense Intelligence Agency	Video recordings of interrogations of terrorism suspect	Allegation founded- awaiting corrective action
December 2008	<b>Dept. of Defense,</b> Office of Secretary of Defense	Documents relating to torture issue	Awaiting agency response or follow-up
February 2009	<b>Dept. of Homeland Security</b>	Hard copies of Secretary's briefing books	Awaiting agency response or follow-up
July 2009	<b>National Aeronautics and Space Administration</b>	Procurement records at Ames Research Center	Awaiting agency response or follow-up
August 2009	<b>Dept. of Defense,</b> Defense Contract Management Agency	Records lost in fire in Ottawa, Canada	Awaiting agency response or follow-up
August 2009	<b>Federal Trade Commission</b>	Consumer complaint letters	Awaiting agency response or follow-up

*Note: in the case involving Federal records in the e-mail system of the George W. Bush Executive Office of the President, NARA has been kept regularly informed by the Office of Administration of the status of the ongoing restoration of e-mail records from backup tapes. In light of this representation, and in view of pending related litigation, NARA will ask for updates on further developments.*

The following table covers cases of alleged unauthorized disposition closed in FY 2009. Note that, when an allegation is founded, the affected agency takes corrective action to prevent additional unauthorized disposition of records.

**Cases closed in FY 2009**

<b>Case Opened</b>	<b>Agency</b>	<b>Records</b>	<b>Resolution</b>
February 2008	<b>U.S. Office of Government Ethics</b>	1999 ethics agreements containing waivers or recusals	Allegation founded- corrective action taken
October 2008	<b>Dept. of Interior,</b> Minerals Management Service	Records destroyed by employees of Southern Ute Indian Tribe	Allegation founded- corrective action taken
November 2008	<b>Dept. of Defense,</b> Defense Commissary Agency	Visitor control files	Allegation founded- corrective action taken
February 2009	<b>Dept. of Homeland Security,</b> Transportation Security Administration	Job application records of a prospective employee	Allegation not founded
May 2009	<b>Dept. of Interior,</b> Bureau of Land Management	Records damaged by water in Rawlins, WY, field office	Allegation founded- corrective action taken
May 2009	<b>Dept. of Justice,</b> Community Relations Service	Database of case files	Allegation founded- corrective action taken

## Definitions

The following provides definitions for many of the terms and concepts used in this Performance section.

Goal 1	Our Nation's Record Keeper
Capital Asset Planning	An element in the decision-making process for ensuring that IT investments integrate strategic planning, budgeting, procurement, and the management of IT in support of agency missions and business needs.
COOP viability	NARA Headquarters and Federal Register must perform essential functions with and without warning regardless of emergency circumstances within 12 hours of activation of COOP for up to 30 days to include reconstitution of normal operations. Viability also includes regular testing, training, exercising of NARA personnel, equipment, systems, processes, and procedures used to support NARA during a COOP event.
Cooperative records project	A project that results in a model schedule, a standardized process, or other common product that standardizes records management for a specific FEA Business Reference Model sub-function across multiple agencies performing that sub-function. For example, agencies engaged in providing investigative services would be considered as one cooperative records project.
Federal agency reference request	A request by a Federal agency to a records center requesting the retrieval of agency records. Excludes personnel information requests at the National Personnel Records Center.
Inventory	A listing of the volume, scope, and complexity of an organization's records.
Proof of concept	Demonstration of new technology to show that an idea works.
Risk mitigation	Determining the value of information as a business asset in terms of its primary and secondary uses in the business process; identifying potential risks to the availability and usefulness of the information; estimating the likelihood of such risks occurring; evaluating the consequences if the risk occurs; and managing the information based on that analysis.
Goal 2	Preserve and Process
Accession	Archival materials transferred to the legal custody of NARA.
Appropriate space	Storage areas that meet physical and environmental standards for the type of materials stored there.
At-risk	Records that have a media base near or at the point of deterioration to such an extent that the image or information in the physical media of the record is being or soon will be lost, or records that are stored on media accessible only through obsolete or near-obsolete technology.
Declassification review	An evaluation of the declassification aspects of an executive branch agency's security classification program to determine whether an agency

has met the requirements of Executive Order 12958. The review may include the appropriateness of agency declassification actions, the quality of agency actions to identify classified equities of other agencies, and the appropriateness of agency action to exempt records from automatic declassification based upon application of declassification guidance approved by the Interagency Declassification Appeals Panel or the application of file series exemptions approved by the President. The results of a review, along with any appropriate recommendations for improvement, are reported to the agency senior official or agency head.

Equity-holding agency      An agency that may have classified information in a document, whether or not it created the document. Without declassification guidelines, only the equity-holding agency can declassify information in the document.

### **Goal 3**

### **Electronic Records**

Gigabyte      A measure of computer data size. A gigabyte one thousand megabytes, 1,000<sup>3</sup> bytes. Specifically not 1,024<sup>3</sup> bytes.

Logical data record      A set of data processed as a unit by a computer system or application independently of its physical environment. Examples: a word processing document; a spreadsheet; an email message; each row in each table of a relational database or each row in an independent logical file database.

Megabyte (Mb)      A measure of computer data size. A megabyte is one million bytes, 1,000<sup>2</sup> bytes. Specifically not 1,024<sup>2</sup> bytes.

Preserved      (1) The physical file containing one or more logical data records has been identified and its location, format, and internal structure(s) specified; (2) logical data records within the file are physically readable and retrievable; (3) the media, the physical files written on them, and the logical data records they contain are managed to ensure continuing accessibility; and (4) an audit trail is maintained to document record integrity.

Terabyte (Tb)      A measure of computer data size. A terabyte is one million megabytes, 1,000<sup>4</sup> bytes. Specifically not 1,024<sup>4</sup> bytes.

### **Goal 4**

### **Access**

Artifact holdings      Object whose archival value lies in the thing itself rather than in any information recorded upon it.

Electronic holdings      Records on electronic storage media.

Logical data record      A set of data processed as a unit by a computer system or application independently of its physical environment. Examples: a word processing document; a spreadsheet; an email message; each row in each table of a relational database or each row in an independent logical file database.

Online visit      One person using our web site is counted as one "visit." It is a count of the number of visitors to our web site, and is similar to counting the number of people who walk through our front door. In contrast, it does not count "hits," which refers to the number of files used to show the user a web page. A visit in which a user accessed a web page comprising 35 files would count as 1 visit and 35 hits. Counting visits is a more accurate way of showing how much use our web site is getting than

	counting hits.
Traditional holdings	Books, papers, maps, photographs, motion pictures, sound and video recordings, and other documentary material that are not stored on electronic media.
Written requests	Requests for services that arrive in the form of letters, faxes, email messages, and telephone calls that have been transcribed. Excludes Freedom of Information Act requests, personnel information requests at the National Personnel Records Center, Federal agency requests for information, fulfillment of requests for copies of records, requests for museum shop products, subpoenas, and special access requests.

## **Goal 6**

## **Infrastructure**

Applicant	Any U.S. citizen who completed an application for a specific position.
Leadership position	A supervisory position at grade GS-13 or above and non-supervisory positions at grade 15 or above.
NARANET	A collection of local area networks installed in 37 NARA facilities that are connected to a wide area network at Archives II, using frame relay telecommunications, and then to the Internet. NARANET includes personal computers with a standardized suite of software. NARANET was designed to be modular and scalable using standard hardware and software components.
Staff development plan	An individualized plan to enhance employees' knowledge, skills, and abilities and improve performance in their current jobs or of duties outside their current jobs, in response to organizational needs and human resource plans.
Underrepresented groups	Groups of people tracked by the U.S. Equal Employment Opportunity Commission: Minority groups (Black, Latino-Hispanic, Asian/Pacific Islander, and American Indian/Alaskan Native); Women; People with Disabilities.

## SECTION 3

# FINANCIAL SECTION

## A Message from the Chief Financial Officer



I am pleased to present the National Archives and Records Administration (NARA) consolidated financial statements for fiscal year 2009 Performance and Accountability Report. I am proud to report that for the fourth consecutive year, an independent auditor has rendered an unqualified opinion on the NARA financial statements.

During FY 2009 we continued to make steady improvements by further strengthening our financial management practices across the organization. We have recently completed an intensive business process re-engineering effort to implement essential internal controls addressing our deficiency in the area of personal property management.

We also resolved our challenge of complying with Federal reporting requirements for Heritage Assets for FY 2009 by identifying an appropriate level of presentation for Heritage Assets that is relevant and meaningful to an external reader yet cost-effective both for the reporting and the program staff.

With the rapid pace of technological change, NARA, along with other Federal and private entities, faces an ongoing, constantly evolving, challenge in Information Technology security.

I wish to acknowledge our staff and financial service provider for their dedication to NARA's mission and their diligent efforts in maintaining the unqualified opinion on our financial statements.

Even as financial oversight and accountability requirements grow more complex and challenging, NARA is steadfastly committed to improving financial management and producing accurate and reliable financial statements.

A handwritten signature in dark ink, appearing to read 'RJ', with a stylized flourish extending from the end.

Richard Judson  
Acting Assistant Archivist for Administration and  
Chief Financial Officer

## Auditor's Reports (FY 2009)

### *Inspector General's Summary*

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION  
ANNUAL FINANCIAL STATEMENT  
FISCAL YEAR 2009

OFFICE OF THE INSPECTOR GENERAL  
COMMENTARY AND SUMMARY

This audit report contains the Annual Financial Statements of the National Archives and Records Administration (NARA) for the fiscal years ended September 30, 2009, and 2008. We contracted with the independent certified public accounting firm of Cotton & Company, LLP (C&C) to perform the fiscal year 2009 audit. The fiscal year 2008 audit was performed by Clifton Gunderson LLP. The audit was done in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; applicable provisions of the OMB Bulletin No. 07-04 *Audit Requirements for Federal Financial Statements*, as amended, and the GAO/PCIE *Financial Audit Manual*.

In its audit of NARA's financial statements, C&C's opinion states that the financial statements present fairly, in all material respects, the financial position of NARA as of September 30, 2009, and its net cost, changes in net position, budgetary resources for the year then ended in conformity with accounting principles generally accepted in the United States of America.

C&C reported two significant deficiencies<sup>1</sup> in internal control over financial reporting in the areas of Personal Property and Information Technology. C&C reported no material weaknesses<sup>2</sup> and disclosed no instances of noncompliance with certain provisions of laws and regulations.

In connection with the contract, we reviewed C&C's report and related documentation and inquired of its representatives. Our review, as differentiated from an audit in accordance with U.S. generally accepted government auditing standards, was not intended to enable us to express, as we do not express, opinions on NARA's financial statements or conclusions about the effectiveness of internal control; or conclusions on compliance with laws and regulations. C&C is responsible for the attached auditor's report dated November 12, 2009, and the conclusions expressed in the report. However, our review disclosed no instances where C&C did not comply, in all material respects, with generally accepted government auditing standards.

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<sup>1</sup> Significant deficiency is defined as a deficiency in internal control, or combination of deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected.

<sup>2</sup> Material weakness is defined as a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected.



## Independent Auditor's Report (FY 2009)



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### Independent Auditor's Report

The Inspector General  
National Archives and Records Administration

We have audited the accompanying consolidated balance sheet of the National Archives and Records Administration (NARA) as of September 30, 2009, and the related statement of net cost, changes in net position and budgetary resources, for the year then ended (hereinafter collectively referred to as the "financial statements"). These financial statements are the responsibility of NARA's management. Our responsibility is to express an opinion on these financial statements based upon our audit. The financial statements of NARA, as of September 30, 2008, were audited by other auditors whose report dated November 12, 2008, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) audit guidance. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles and significant estimates made by management, as well as evaluating the overall financial statements' presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of NARA as of September 30, 2009, and its net cost, changes in net position, and budgetary resources for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our reports dated November 12, 2009, on our consideration of NARA's internal control over financial reporting, and on our tests of NARA's compliance with certain provisions of laws and regulations and other matters. The purpose of those reports is to describe the scope of our testing on internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report, in considering the results of our audit.

The information in the Management Discussion and Analysis and Required Supplementary Information sections is not a required part of the consolidated financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this information. However, we did not audit this information and, accordingly, we express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The information in the Message from the Archivist, Performance Section, and Other Accompanying Information is presented for purposes of additional analysis and is not required as part of the consolidated financial statements. This information has not been subjected to auditing procedures and, accordingly, we express no opinion on it.

COTTON & COMPANY LLP

Jeffrey A. Long, CPA, CISA, CGFM  
Partner



November 12, 2009  
Alexandria, VA



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### Independent Auditor's Report on Compliance and Other Matters

The Inspector General  
National Archives and Records Administration

We have audited the financial statements of the National Archives and Records Administration (NARA) as of, and for the year ended September 30, 2009, and have issued our report thereon dated November 12, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) audit guidance.

NARA's management is responsible for complying with laws and regulations applicable to NARA. As part of obtaining reasonable assurance about whether NARA's financial statements are free of material misstatements, we performed tests of NARA's compliance with certain provisions of laws and regulations that have a direct and material effect on the financial statements. We did not test compliance with all laws and regulations applicable to NARA. We limited our tests of compliance to those provisions of laws and regulations required by OMB audit guidance that we deemed applicable to the financial statements, for the fiscal year ended September 30, 2009. We caution that noncompliance may have occurred and may not have been detected by these tests, and that such testing may not be sufficient for other purposes.

The results of our tests of compliance with laws and regulations described in the preceding paragraph disclosed no instances of material noncompliance that are required to be reported under *Government Auditing Standards* and OMB audit guidance. However, providing an opinion on compliance with certain provisions of laws and regulations was not an objective of our audit, and, accordingly we do not express such an opinion.

This report is intended solely for the information and use of management of NARA, NARA Office of Inspector General, the Government Accountability Office (GAO), OMB, and Congress, and is not intended to be and should not be used by anyone other than those specified parties.

COTTON & COMPANY LLP

Jeffrey A. Long, CPA, CISA, CGFM  
Partner

A handwritten signature in blue ink, appearing to read "Jeffrey A. Long".

November 12, 2009  
Alexandria, VA





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### Independent Auditor's Report on Internal Control

The Inspector General  
National Archives and Records Administration

We have audited the financial statements of the National Archives and Records Administration (NARA) as of, and for the year ended September 30, 2009, and have issued our report thereon dated November 12, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) audit guidance.

In planning and performing our audit, we considered NARA's internal control over financial reporting by obtaining an understanding of the design effectiveness of NARA's internal control, determining whether these controls had been placed in operation, assessing control risk, and performing tests of the controls in order to determine our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements, and not to provide an opinion on the internal controls. Accordingly, we do not express an opinion on the effectiveness of NARA's internal control over financial reporting.

We limited our internal control testing to those controls necessary to achieve the objectives described in OMB audit guidance. We did not test all internal controls relevant to operating objectives, as broadly defined by the Federal Managers' Financial Integrity Act of 1982 (FMFIA), such as those controls relevant to ensuring efficient operations.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects NARA's ability to initiate, authorize, record, process, or report financial data reliably, in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of NARA's financial statements that is more than inconsequential will not be prevented or detected by NARA's internal controls.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by NARA's internal controls.

Our consideration of internal controls was for the limited purpose described in the second and third paragraphs of this report, and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

We identified two deficiencies in internal control over financial reporting that we consider to be significant deficiencies. However, we do not believe that the significant deficiencies described below are material weaknesses over financial reporting.

\*\*\*\*\*

## SIGNIFICANT DEFICIENCIES

### I. Personal Property

NARA's processes and internal control procedures used to ensure the proper accountability of personal property assets and related accounting transactions need improvement. Improvements are needed in the following key areas:

- A. **Adherence to Policies and Procedures** - NARA employees do not always follow operating policies and procedures implemented by the Facilities and Personal Property Management Division (NAF) regarding the accountability of personal property items. Specifically, staff members do not always report or document the acquisition, transfer, or disposition of personal property items.
- B. **Personal Property in the Hands of Contractors** - NARA does not have policies and procedures in place to ensure the physical accountability of NARA-owned assets that are in the custody of contractors. In addition, NARA property managers do not barcode or inventory personal property used by and in the possession of contractors.
- C. **Personal Property Systems** - Personal property is tracked in the Personal Property Management System (PPMS), which does not interface with the general ledger. NARA has determined that the cost of integrating PPMS with the general ledger would exceed the benefits; therefore, these two systems will not be integrated. NARA's Financial Reports Staff (NAX) has been unable to rely on PPMS for certain property accounting functions due to the system's instability. Instead, personal property transactions (e.g. acquisitions, disposals, and depreciation) are valued on Microsoft Excel spreadsheets using PPMS information and manual processes. These processes are prone to human error and sufficient compensating controls are not in place to provide reasonable assurance that errors will be identified and corrected in a timely manner.

OMB Circular A-123, *Management's Responsibility for Internal Control* states:

*It is management's responsibility to develop and maintain effective internal control...Agency managers should continuously monitor and improve the effectiveness of internal control associated with their programs.*

In addition, Government Accountability Office's (GAO) *Standards for Internal Control in the Federal Government* states:

*An agency must establish physical control to secure and safeguard vulnerable assets. Examples include security for and limited access to assets such as cash, securities, inventories, and equipment which might be vulnerable to risk of loss or unauthorized use.*

Failing to implement adequate processes and internal control procedures over personal property transactions could result in assets being stolen or misplaced and not being detected by management in a timely manner. In addition, personal property related account balances could be misstated because accounting personnel are not notified of acquisitions and disposals in a timely manner. The following issues were noted when testing personal property transactions as of June 30, 2009.

- 1. **Stewardship of Accountable Items** - While performing testing of NARA's internal control over accountable personal property assets, we noted the following issues:



- NARA was unable to locate one asset in our sample, and thus, we could not verify the existence of the item.
  - Nine sampled items were recorded as being physically located in Archives II in PPMS, but the results of our audit procedures indicated the items were located at various other NARA field locations.
  - Two accountable items were identified at NARA facilities and were not recorded in PPMS.
2. **Account Balance Misstatements** - While performing testing of personal property accounting transactions, we noted the following issues:
- NARA improperly recorded disposal transactions for fully depreciated personal property items with a total acquisition cost of roughly \$21 million. In FY 2009, NARA recorded disposal transactions for all fully depreciated personal property assets without first verifying the physical status of the asset. These improper entries were subsequently reversed.
  - In addition, we noted several insignificant errors in depreciation calculations that were caused by human error.

#### **Recommendations**

We recommend that NAF should:

1. Finalize and implement its personal property policies and procedures manual during the first quarter of FY 2010.
2. Provide personal property-related training to NARA employees.
3. Design and implement monitoring procedures to ensure NARA employees adhere to personal property-related policies and procedures.
4. Design and implement procedures to ensure the accountability of assets in the custody of contractors.
5. Continue to implement personal property accounting functionality within the Maximo system, and in doing so, ensure that the application has adequate functionality to meet the requirements articulated by the Joint Financial Management Improvement Program (JFMIP) in its document titled, *Property Management Systems Requirements*.

We recommend that NAX should:

6. Perform a risk assessment to determine if it has sufficient procedures in place to mitigate risks posed by the manual processes used to account for personal property transactions.
7. Design and implement controls, as necessary, to address significant risks identified during the risk assessment.

## **II. Information Technology**

During FY 2009 NARA continued to make improvements in its information technology (IT) control environment by addressing recommendations made in previous audits. However, improvements are still

needed in the following IT control areas: access control, segregation of duties, and contingency planning. Deficiencies noted in each area are discussed in sections A through C below. The issues discussed below, combined with the open recommendations from the previous fiscal year's (see Appendix A) financial statement audit, collectively represent a significant deficiency in internal control over financial reporting.

**A. Access Controls**

Access controls provide reasonable assurance that access to computer resources is reasonable and restricted to authorized individuals. NARA access control procedures must be improved in the following areas: account management, exit clearance process and incident response programs. Specific issues identified during testing are discussed below.

**1. Account Management**

NARA has not implemented sufficient controls to ensure that account management policies and procedures are consistent with National Institute of Standards and Technology (NIST) requirements and industry best practices. Application-specific issues noted during testing are discussed below:

**a) NARANET**

- NARA management relies on the annual security awareness training process to recertify accounts and determine if users still require system access. This process does not ensure that all applicable accounts are removed or disabled in a timely manner because the certification only occurs once per year. Additionally, this process only reviews individuals with login abilities; it does not review accounts that are not assigned to a specific individual (e.g. backup accounts, test accounts, and training accounts).
- Numerous NARANET accounts exist that are used for testing, training, and back-up. The responsibility for managing and determining the ongoing need for these accounts are not associated to a specific individual. Therefore, unnecessary accounts may be still active due to a lack of oversight responsibilities.
- Inactive accounts are not consistently disabled or removed in a timely manner. We noted 224 accounts in which the user had either never logged on to NARANET or had not logged on in over a year. In all 224 cases, the accounts were not disabled.
- NARANET's maximum password age requirement of 365 days is not consistent with NIST and OMB requirements and is not effective for providing adequate protection against unauthorized use. The password age requirement of 365 days was put in place based upon a standard designed for public use systems, NIST Special Publication (SP) 800-63 *Electronic Authentication Guideline*, which is not meant for internal government use systems. In addition, our testing identified 37 active accounts that had not changed their password in over 365 days. These password practices and issues increase the risk that unauthorized users could effectively guess passwords and gain access to NARA's computing resources.

**b) Records Center Program Billing System (RCPBS)**

- RCPBS does not have configurable lockout policy settings. Also, RCPBS does not have a configurable password policy that requires users to change their password periodically; prohibits the reuse of passwords for a specific length of time; and automatically expires user passwords.
- Additionally, inactive accounts are not consistently disabled or removed in a timely manner. We identified 34 accounts that were inactive for over 365 days.



c) **Personal Property Management System (PPMS):**

Our testing noted that PPMS cannot enforce a configurable password or lockout policy.

NIST SP 800-53, Revision 2: *Recommended Security Controls for Federal Information Systems*, requires the following:

**AC-2 ACCOUNT MANAGEMENT**

*The organization manages information system accounts, including establishing, activating, modifying, reviewing, disabling, and removing accounts. The organization reviews information system accounts at least annually.*

*The organization specifically authorizes and monitors the use of guest/anonymous accounts and removes, disables, or otherwise secures unnecessary accounts. Account managers are notified when information system users are terminated or transferred and associated accounts are removed, disabled, or otherwise secured. Account managers are also notified when users' information system usage or need-to-know/need-to-share changes.*

**AC-7 UNSUCCESSFUL LOGIN ATTEMPTS**

*The information system enforces a limit of 5 consecutive invalid access attempts by a user during a 15-minute time period. The information system automatically locks the account until released by an administrator when the maximum number of unsuccessful attempts is exceeded.*

**IA-5 AUTHENTICATOR MANAGEMENT**

*The organization manages information system authenticators by: (i) defining initial authenticator content; (ii) establishing administrative procedures for initial authenticator distribution, for lost/compromised, or damaged authenticators, and for revoking authenticators; (iii) changing default authenticators upon information system installation; and (iv) changing/refreshing authenticators periodically.*

*For password-based authentication, the information system: (i) protects passwords from unauthorized disclosure and modification when stored and transmitted; (ii) prohibits passwords from being displayed when entered; (iii) enforces password minimum and maximum lifetime restrictions; and (iv) prohibits password reuse for a specified number of generations.*

In addition, the Federal Desktop Core Configuration (FDCC) requires the following:

**MAXIMUM PASSWORD AGE**

*All desktop operating systems in the Federal government are required to meet the minimum security controls defined in the Federal Desktop Core Configuration (FDCC) guidance provided by NIST. This guidance that applies to Windows desktops requires a maximum password age of 60 days.*

Center for Internet Security (CIS), *Novell eDirectory 8.7, Consensus Baseline*, requires the following:

**MAXIMUM PASSWORD AGE**

*The 60 day recommendation from FDCC guidance is also consistent with the Center for Internet Security's Novell eDirectory 8.7 Consensus Baseline Security, Security Settings Version 1 document which requires a maximum password age setting of 90 days or less.*



Without proper account management procedures, there is an increased risk that malicious users will be able to access NARA systems and resources. Such unauthorized access could result in the loss of data confidentiality, integrity, or availability.

**Recommendations**

We recommend that the NARA Chief Information Officer (CIO):

8. Implement a process for managing NARANET accounts that:
  - a) Requires a recertification of all system accounts at least annually.
  - b) Ensures all accounts are tied to a specific individual who has the responsibility for managing the account, and determining the ongoing need for non-login accounts.
  - c) Identifies inactive accounts on a regular basis and removes access in a timely manner.
  - d) Ensures all access and privileges of terminated employees are promptly removed.
9. Implement a more restrictive password age control for NARANET that is consistent with requirements for Federal information systems.
10. Implement a process for managing RCPBS accounts that:
  - a) Requires a recertification of all system accounts at least annually.
  - b) Identifies inactive accounts on a regular basis and removes or disables access in a timely manner.
  - c) Implements a more restrictive password age control that is consistent with requirements for federal information systems.
11. Implement compensating logging and monitoring controls for PPMS to ensure that the risk of unauthorized access is mitigated.

**2. Exit Clearance Process**

NARA has not implemented sufficient controls to ensure that its exit clearance policies and procedures are consistent with NIST requirements. Specific issues noted during testing were:

- a) NARANET accounts for terminated employees were not consistently disabled or removed in a timely manner. Out of 45 sampled terminated employees, we identified five accounts that were not disabled or removed a month after their effective termination date. Three of these accounts were still active at the time of our testing. In addition, two of the terminated employees had accessed NARANET at least once after their effective termination date.
- b) RCPBS accounts of terminated employees were not consistently disabled or removed in a timely manner. We identified four instances in which terminated employees accounts were not disabled or removed because the IT Helpdesk, or other appropriate personnel, were not notified of their separation.

NIST SP 800-53, Revision 2: *Recommended Security Controls for Federal Information Systems*, requires the following:

**PS-4 PERSONNEL TERMINATION**

*The organization, upon termination of individual employment, terminates information system access, conducts exit interviews, retrieves all organizational information system-related property, and provides appropriate personnel with access to official records created by the terminated employee that are stored on organizational information systems.*

An ineffective exit clearance process increases the risk that disgruntled former employees could use their continued system access to negatively impact the organization. Such unauthorized access could result in the loss of data confidentiality, integrity, or availability.

**Recommendations**

We recommend that the Office of Policy and Planning Staff (NPOL):

12. Enforce its current policies and procedures used to manage systems and accounts to ensure all access and privileges of terminated employees are promptly removed.
13. Ensure that supervisors receive training in their exit clearance process responsibilities, including alerting applicable personnel when employees and contractors under their supervision no longer require access.

**3. Incident-Response Program**

Currently, NARA's incident response methodology does not include testing of the incident response plan or NARA-specific training for incident response roles. NARA is currently in the process of finalizing a contract with an independent contractor to provide incident response program support. This support will include an assessment of NARA's incident response program, targeted training to NARA personnel involved with incident response, and a simulation of incident response exercises.

NIST SP 800-53, Revision 2: *Recommended Security Controls for Federal Information Systems*, requires the following:

**IR-2 INCIDENT RESPONSE TRAINING**

*The organization trains personnel in their incident response roles and responsibilities with respect to the information system and provides refresher training at least annually.*

**IR-3 INCIDENT RESPONSE TESTING AND EXERCISES**

*The organization tests and/or exercises the incident response capability for the information system at least annually using organization-defined tests and/or exercises to determine the incident response effectiveness and documents the results.*

Without strong incident response training and testing, NARA cannot ensure that its current incident response procedures will be handled effectively by those with incident response roles and responsibilities or will properly mitigate all detected security incidents.

**Recommendation**

14. We recommend that the NARA CIO continue its effort to finalize the contract with the independent contractor to provide an assessment of NARA's incident response program, provide targeted training to NARA personnel involved with incident response, and to conduct simulated exercises.



**B. Segregation of Duties**

Segregation of duties controls provide reasonable assurance that incompatible duties are effectively segregated. NARA does not have sufficient controls in place to ensure that incompatible roles in RCPBS are not assigned to individual system users. Specifically, when reviewing Webtally (a component system of RCPBS), we found that:

1. Seventy-seven users were assigned the "MANAGER" role in Webtally, and can both enter and approve transactions without the transaction being reviewed by a second party.
2. Users can be assigned multiple accounts with incompatible roles. For example, individuals with user accounts (e.g. "ACCTREP", "MANAGER") can also be given accounts with security administration capabilities ("ADMIN"). We noted 3 instances in which users were assigned security administration rights in addition to their user rights.

NIST SP 800-53, Revision 2: *Recommended Security Controls for Federal Information Systems*, states the following:

*AC-5 SEPARATION OF DUTIES*

*The information system enforces separation of duties through assigned access authorizations.*

*The organization establishes appropriate divisions of responsibility and separates duties as needed to eliminate conflicts of interest in the responsibilities and duties of individuals. There is access control software on the information system that prevents users from having all of the necessary authority or information access to perform fraudulent activity without collusion. Examples of separation of duties include: (i) mission functions and distinct information system support functions are divided among different individuals/roles; (ii) different individuals perform information system support functions (e.g., system management, systems programming, quality assurance/testing, configuration management, and network security); and (iii) security personnel who administer access control functions do not administer audit functions.*

Improper segregation of duties increases the risk of fraudulent acts, which could lead to financial, data and service loss, as well as potentially compromise the integrity, confidentiality, and availability of RCPBS data.

**Recommendation**

We recommend that the Assistant Archivist for Regional Records Services (NR):

15. Develop and implement policies and procedures that prohibit RCPBS users from having multiple accounts as well as the ability to enter and approve their own transactions.

**C. Contingency Planning**

Contingency planning helps protect information resources by minimizing the risk of unplanned interruptions and provides for the recovery of critical operations, should interruptions occur. NARA did not have sufficient controls in place to ensure that contingency and disaster recovery plans for financial systems reflected current operating conditions. Specifically, our testing noted that the Order Fulfillment and Accounting (OFAS) contingency plan and the RCPBS disaster recovery plan did not reflect current operating conditions.

NIST SP 800-53, Revision 2: *Recommended Security Controls for Federal Information Systems*, states the following:

**CP-5 CONTINGENCY PLAN UPDATE**

*The organization reviews the contingency plan for the information system at least annually and revises the plan to address system/organizational changes or problems encountered during plan implementation, execution, or testing.*

Not having complete and up-to-date disaster recovery and contingency plans for key financial systems increases the risk that NARA would be unable to respond to an emergency situation, which could lead to financial loss and loss of important data or service(s).

**Recommendations**

We recommend that the NARA CIO:

16. Fully implement a contingency planning policy that is consistent with guidance provided in NIST SP 800-34, *Contingency Planning Guide for Information Technology Systems*. The policy should include requirements for updating the contingency plan to reflect current operating conditions.

We recommend that the Assistant Archivist for Administration (NA):

17. Update the contingency and disaster recovery plans for OFAS to reflect current operating conditions.

We recommend that NR:

18. Update the contingency and disaster recovery plans for RCPBS to reflect current operating conditions.

#### STATUS OF PRIOR YEAR COMMENTS

We have reviewed the status of NARA's corrective actions with respect to the significant deficiency from the previous year's report on internal control. Details of the status of the recommendations are reported in Appendix A to this report.

\*\*\*\*\*

NARA's management response to the significant deficiencies identified in our report is included as Appendix B to this report. We did not audit NARA's response and, accordingly, we provide no opinion on it.

In addition to the significant deficiencies described above, we noted certain matters involving internal control and its operation that we reported to NARA management in a separate letter, dated November 12, 2009.

This report is intended solely for the information and use of management of NARA, NARA Office of Inspector General, GAO, OMB, and Congress, and is not intended to be and should not be used by anyone other than those specified parties.

COTTON & COMPANY LLP

Jeffrey A. Long, CPA, CISA, CGFM  
Partner



November 12, 2009  
Alexandria, VA

Appendix A  
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION  
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS  
September 30, 2009

Condition/Audit Area	Recommendation Number	Recommendation	Current Status
<b>Significant Deficiency</b>			
Access Controls	1	Develop and implement VPN user access recertification procedures to require regular user access reviews for reasonableness.	Closed
	2	Revise NARA IT Security Requirements to specify a specific time frame (i.e., 24 or 48 hours) in which system access is to be removed upon an employee's separation of employment.	Closed – Revised during FY 2009.
	3	Develop and implement Novell administrator user access recertification procedures to require regular user access reviews for reasonableness.	Closed
	4	Enable Novell audit logging activity for user logins, ACL changes, add group member or delete group member events in accordance with NARA policy.	Closed
	5	Update attack signatures for NARA NIDS to the most recent version.	Closed
Entity-Wide Security Program	6	Complete risk assessments for all NARANET components.	Open
	7	Finalize and approve security plans for all NARANET components.	Open
	8	Certify each NARANET component, then certify and accredit the entire NARANET general support system.	Open
	9	Implement policies and procedures which require the completion of security and awareness training before being granted access to NARA information systems.	Open
	10	Complete exit clearance forms (Form 3009) for all separating employees which include formal sign offs by functional managers and maintain these documents in accordance with NARA document retention policies.	Closed – Revised during FY 2009.
	11	Modify IT security requirements for new hires prior to accessing NARA systems which map to interim clearance procedures for badge	Closed

		issuance.	
Contingency Plan	12	Finalize and approve the COOP in accordance with HSPD 7, 51, and 20, FCD 1, and NIST SP 800-34.	Closed
	13	Finalize and approve the NARANET general support system contingency plan.	Closed



**Management Response to Auditor's Report (FY 2009)**



*National Archives and Records Administration*

8601 Adelphi Road  
College Park, Maryland 20740-6001

Date: November 12, 2009  
To: Paul Brachfeld, NARA Inspector General  
From: Adrienne Thomas, Acting Archivist of the United States  
Subject: Response to Draft Independent Auditor's Report on NARA's Internal Controls and Compliance with Laws and Regulations for FY 2009

Thank you for the opportunity to review and comment on the draft reports entitled, Independent Auditor's Report on Internal Control and Independent Auditor's Report on Compliance with Laws and Regulations. We appreciate your efforts and cooperation throughout this audit process.

NARA has worked hard to improve financial management processes and to resolve the information technology control issues. We are pleased that your reports recognize the notable progress that has been made.

While we generally agree with the assessments contained in the report, we offer the following comments on the Personal Property Significant Deficiency:

NARA had recognized that its Property Management internal controls needed improvement. To that end, it initiated a Business Process Reengineering effort in FY 2008. New processes and procedures have been developed as a result of the Business Process Re-engineering effort. Many have already been implemented through various interim policy directives and the remainder will be implemented by the new Property Management Directive and Standard Operating Procedure, currently under review. These new procedures more clearly define roles, place a greater emphasis on training, and hold management accountable for property under their control, closing many of the loopholes found in the old procedures.

Full implementation of the newly developed processes, coupled with ongoing implementation of the new Personal Property Management System (projected timeline for completion is April 2010) should address the audit finding on stewardship for accountable items.

In closing, while challenges remain, I believe NARA has demonstrated its commitment to producing accurate and reliable financial statements. NARA will continue its efforts to further improve its financial management processes and related internal controls.

*Adrienne C. Thomas*

ADRIENNE C. THOMAS  
Acting Archivist of the United States

NARA's web site is <http://www.archives.gov>



## Financial Statements and Additional Information (FY2009)

### Principal Statements

#### Consolidated Balance Sheet

As of September 30, 2009 and 2008

(in thousands)

	2009	2008
<b>Assets (Note 2)</b>		
Intragovernmental		
Fund balance with Treasury (Note 2)	\$ 256,857	\$ 213,080
Investments (Note 3)	11,719	10,957
Accounts receivable (Note 4)	14,789	12,446
Total intragovernmental	283,365	236,483
Cash	49	49
Investments (Note 3)	23,201	20,513
Accounts receivable, net (Note 4)	328	596
Inventory, net (Note 5)	1,024	1,120
General property, plant and equipment, net (Note 6)	420,404	415,980
Other Assets	814	868
<b>Total assets</b>	<b>\$ 729,185</b>	<b>\$ 675,609</b>
Stewardship PP&E (Note 7)		-
<b>Liabilities</b>		
Intragovernmental		
Accounts payable	\$ 4,632	\$ 2,439
Other (Note 8, 9, 10)	5,698	5,556
Total intragovernmental	10,330	7,995
Accounts payable	30,328	30,108
Debt held by the public (Note 8, 9)	193,942	205,868
Other (Note 8, 10)	35,309	35,128
Total liabilities	\$ 269,909	\$ 279,099
Commitments and Contingencies (Note 12)	-	-
<b>Net Position</b>		
Unexpended appropriations - other funds	193,346	147,697
Cumulative results of operations - earmarked funds (Note 13)	35,018	31,119
Cumulative results of operations - other funds	230,912	217,694
Total net position	\$ 459,276	\$ 396,510
<b>Total liabilities and net position</b>	<b>\$ 729,185</b>	<b>\$ 675,609</b>

The accompanying notes are an integral part of these statements

***Consolidated Statement of Net Cost***  
***For the years ended September 30, 2009 and 2008***  
*(in thousands)*

<b>Program Costs</b>	<b>2009</b>	<b>2008</b>
<b>Records and archives-related services</b>		
Gross costs (Note 14)	\$ 357,421	\$ 307,207
Less: Earned revenues	(977)	(261)
<b>Total net records and archives-related services program costs</b>	<b>356,444</b>	<b>306,946</b>
<b>Trust and Gift Funds</b>		
Gross costs (excluding heritage asset renovation)	14,432	14,449
Heritage asset renovation costs (Note 15)	-	-
Less: Earned revenues	(17,912)	(18,422)
<b>Total net trust and gift fund costs</b>	<b>(3,480)</b>	<b>(3,973)</b>
<b>Electronic records archives</b>		
Gross costs	17,539	9,885
Less: Earned revenues	-	-
<b>Total net electronic records archives program costs</b>	<b>17,539</b>	<b>9,885</b>
<b>National historical publications and records commission grants</b>		
Gross costs	6,434	5,511
Less: Earned revenues	-	-
<b>Total net national historical publications and records commission grants program costs</b>	<b>6,434</b>	<b>5,511</b>
<b>Archives facilities and presidential libraries repairs and restoration</b>		
Gross costs (excluding heritage asset renovation)	1,947	100
Heritage asset renovation costs (Note 15)	21,940	11,165
Less: Earned revenues	-	-
<b>Total net archives facilities and presidential libraries repairs and restoration program costs</b>	<b>23,887</b>	<b>11,265</b>
<b>Revolving fund records center storage and services</b>		
Gross costs	163,650	149,375
Less: Earned revenues	(151,572)	(142,332)
<b>Total net revolving fund records center storage and services program costs</b>	<b>12,078</b>	<b>7,043</b>
<b>Net Cost of Operations</b>	<b>\$ 412,902</b>	<b>\$ 336,677</b>

*The accompanying notes are an integral part of these statements*

***Consolidated Statement of Changes in Net Position***  
***For the years ended September 30, 2009***  
***(in thousands)***

	2009		
	Earmarked Funds	All Other Funds	Consolidated Total
<b>Cumulative Results of Operations</b>			
Beginning Balance	\$ 31,119	\$ 217,694	\$ 248,813
<b>Budgetary Financing Sources</b>			
Appropriations Used	-	409,119	409,119
Nonexchange Revenue	691	-	691
Donations and forfeitures of cash and cash equivalents	1,984	-	1,984
Transfers-in/ out without reimbursement	(616)	616	(0)
Other	31	-	31
<b>Other Financing Sources (Non-Exchange)</b>			
Imputed financing	466	16,639	17,105
Other	1,089	-	1,089
Total Financing Sources	3,645	426,374	430,019
Net Cost of Operations	(254)	413,156	412,902
Net Changes	3,899	13,218	17,117
<b>Cumulative Results of Operations</b>	<b>35,018</b>	<b>230,912</b>	<b>265,930</b>
<b>Unexpended Appropriations</b>			
Beginning Balance	-	147,697	147,697
<b>Budgetary Financing Sources</b>			
Appropriations received	-	459,277	459,277
Other adjustments	-	(4,509)	(4,509)
Appropriations used	-	(409,119)	(409,119)
Total Budgetary Financing Sources	-	45,649	45,649
Total Unexpended Appropriations	-	193,346	193,346
<b>Net Position</b>	<b>\$ 35,018</b>	<b>\$ 424,258</b>	<b>\$ 459,276</b>

The elimination column was omitted because there was no elimination activity.

*The accompanying notes are an integral part of these statements*

***Consolidated Statement of Changes in Net Position***  
***For the years ended September 30, 2008***  
***(in thousands)***

	2008		
	Earmarked Funds	All Other Funds	Consolidated Total
<b>Cumulative Results of Operations</b>			
Beginning Balance	\$ 30,952	\$ 169,353	\$ 200,305
<b>Budgetary Financing Sources</b>			
Appropriations Used	-	368,731	368,731
Nonexchange Revenue	783	-	783
Donations and forfeitures of cash and cash equivalents	534	-	534
Transfers-in/out without reimbursement	(632)	632	-
Other	65	-	65
<b>Other Financing Sources (Non-Exchange)</b>			
Imputed financing	447	15,866	16,313
Other	(1,241)	-	(1,241)
Total Financing Sources	(44)	385,229	385,185
Net Cost of Operations	(211)	336,888	336,677
Net Changes	167	48,341	48,508
<b>Cumulative Results of Operations</b>	<b>31,119</b>	<b>217,694</b>	<b>248,813</b>
<b>Unexpended Appropriations</b>			
Beginning Balance	-	108,649	108,649
<b>Budgetary Financing Sources</b>			
Appropriations received	-	411,133	411,133
Appropriations transferred-in/out	-	-	-
Other adjustments	-	(3,354)	(3,354)
Appropriations used	-	(368,731)	(368,731)
Total Budgetary Financing Sources	-	39,048	39,048
Total Unexpended Appropriations	-	147,697	147,697
<b>Net Position</b>	<b>\$ 31,119</b>	<b>\$ 365,391</b>	<b>\$ 396,510</b>

The elimination column is omitted as no elimination activity impacts this statement.

*The accompanying notes are an integral part of these statements*

***Combined Statement of Budgetary Resources***  
***For the years ended September 30, 2009 and 2008***  
***(in thousands)***

	2009	2008
<b>Budgetary Resources</b>		
Unobligated balance brought forward, October 1:	\$ 64,985	\$ 63,813
Recoveries of prior year unpaid obligations	8,722	6,203
Budget Authority		
Appropriation	462,753	413,139
Spending authority from offsetting collections		
Earned		
Collected	186,804	177,602
Change in receivables from Federal sources	2,290	3,267
Change in unfilled customer orders		
Advance received	(622)	383
Without advance from Federal sources	6,833	(6,746)
Expenditure transfers from trust funds	771	632
Subtotal	658,829	588,277
Permanently not available	16,352	14,250
<b>Total budgetary resources</b>	<b>\$ 716,184</b>	<b>\$ 644,043</b>
 <b>Status of Budgetary Resources</b>		
Obligations Incurred (Note 17)		
Direct	433,832	404,622
Reimbursable	184,527	174,436
Subtotal	618,359	579,058
Unobligated Balance		
Apportioned	78,342	44,350
Exempt from apportionment	7,220	7,068
Subtotal	85,562	51,418
Unobligated balance not available	12,263	13,567
<b>Total status of budgetary resources</b>	<b>\$ 716,184</b>	<b>\$ 644,043</b>
 <b>Change in Obligated Balance</b>		
Obligated balance, net		
Unpaid obligations, brought forward, October 1	\$ 174,105	\$ 139,064
Less: Uncollected customer payments from Federal sources, brought forward October 1	(15,004)	(18,483)
Total unpaid obligated balance, net	159,101	120,581
Obligations incurred net	618,359	579,058
Less: Gross outlays	(588,817)	(537,814)
Less: Recoveries of prior year unpaid obligations, actual	(8,722)	(6,203)
Change in uncollected customer payments from Federal sources	(9,122)	3,479
Obligated balance, net, end of period		
Unpaid obligations	194,925	174,104
Less: Uncollected customer payments from Federal sources	(24,126)	(15,003)
Total, unpaid obligated balance, net, end of period	170,799	159,101
 <b>Net Outlays</b>		
Gross outlays	588,817	537,814
Less: Offsetting collections	(186,954)	(178,616)
Less: Distributed offsetting receipts	(1,343)	(1,428)
Net Outlays	<b>\$ 400,520</b>	<b>\$ 357,770</b>

*The accompanying notes are an integral part of these statements*

## *Notes to Principal Statements*

### *Note 1 – Summary of Significant Accounting Policies*

#### *A. Reporting Entity*

The National Archives was created by statute as an independent agency in 1934. On September 30, 1949, the Federal Property and Administrative Services Act transferred the National Archives to the General Services Administration (GSA), and its name was changed to National Archives and Records Services. It attained independence again as an agency in October 1984 (effective April 1, 1985) and became known as the National Archives and Records Administration (NARA).

NARA is our nation's records keeper. NARA safeguards records of all three branches of the Federal Government. NARA's mission is to ensure continuing access to the essential documentation of the rights of American citizens and the actions of their government, and to facilitate historical understanding of our national experience.

NARA is administered under the supervision of the Archivist of the United States. It comprises various Operating Administrations, each having its own management and organizational structure, which collectively provide services and access to the essential documentation. NARA's accompanying financial statements include accounts of all funds under NARA's control.

#### **General Funds**

- Operating Expenses
  - Records Services—Provides for selecting, preserving, describing, and making available to the general public, scholars, and Federal agencies the permanently valuable historical records of the Federal Government and the historical materials and Presidential records in Presidential Libraries; for preparing related publications and exhibit programs; and for conducting the appraisal of all Federal records.
  - Archives Related Services—Provides for the publication of the Federal Register, the Code of Federal Regulations, the U.S. Statutes-at-Large, and Presidential documents, and for a program to improve the quality of regulations and the public's access to them. This activity also includes the administration and reference service portions for the National Historical Publications and Records Commission.
  - The National Archives at College Park—Provides for construction and related services of the archival facility which opened to the public at the end of 1993.
- Electronic Records Archives—Provides for research, analysis, design, development and program management to build an Electronic Records Archive (ERA) that will ensure the preservation of and access to Government electronic records.
- Repairs and Restoration—Provides for the repair, alteration, and improvement of Archives facilities and Presidential Libraries nationwide. It funds the National Archives' efforts to provide adequate storage for holdings, to maintain its facilities in proper condition for public visitors, researchers, and employees in NARA facilities, and maintain the structural integrity of the buildings.
- National Historical Publications and Records Commission Grants—Provides for grants funding that the Commission makes, to local, state, and private institutions nationwide, to preserve and publish records that document American history.

#### **Intragovernmental Fund**

- Records Center Revolving Fund – Utilizes customer funding effectively to provide services on a standard price basis to Federal agency customers. The fund maintains low cost, quality storage and transfers, reference, re-file, and disposal services for records stored in regional service facilities. The program office develops transaction billing rates annually for the upcoming fiscal year. The rates are developed to ensure full cost recovery for the delivery of storage and services of records held by the fund for its customer agencies. The rate development process is reviewed for reasonableness by the revolving fund office and receives final approval from the Archivist. Adjustments, changes or additions to the rates are submitted to the Archivist for approval before implementation.

#### **Trust Funds**

- National Archives Gift Fund – The National Archives Trust Board solicits and accepts gifts or bequests of money, securities, or other personal property for the benefit of or in connection with the national archival and records activities administered by the National Archives and Records Administration (44 U.S.C. 2305).
- National Archives Trust Fund – The Archivist of the United States furnishes, for a fee, copies of unrestricted records in the custody of the National Archives (44 U.S.C. 2116). Proceeds from the sale of copies of microfilm publications, reproductions, special works and other publications, and admission fees to Presidential Library museums are deposited in this fund.

#### *B. Basis of Accounting and Presentation*

These statements have been prepared from the accounting records of NARA in conformity with accounting principles (GAAP) generally accepted in the United States, and the requirements of the Office of Management and Budget (OMB) Circular A-136, *Financial Reporting Requirements*. These statements are, therefore, different from the financial reports prepared by NARA, also subject to OMB directives, for the purposes of reporting and monitoring NARA's status of budget resources.

Transactions are recorded on both an accrual and budgetary basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash. Budgetary accounting facilitates compliance with legal constraints and control over the use of Federal funds.

#### *C. Funds with the U.S. Treasury and Cash*

Funds with the U.S. Treasury primarily represent appropriated, revolving and trust funds. These funds may be used by NARA to finance expenditures. NARA's cash receipts and disbursements are processed by the U.S. Treasury.

Cash consists of petty cash imprest funds at Presidential Libraries and the National Archives regional and headquarters store locations, used to finance the cashiers' start-up cash.

#### *D. Accounts Receivable*

Accounts receivable primarily consists of amounts due from Federal agencies, which are expected to be collected, and therefore are not considered for allowance for uncollectible accounts. For amounts due from the public, NARA directly writes off uncollectible receivables based on an analysis of the outstanding balances.

#### *E. Investments in Securities*

Investments in Federal securities are made daily and are reported at cost.

NARA also employs the services of a third party capital management firm to monitor and manage the endowments, received pursuant to Title 44 U.S.C. section 2112, for the George Bush Library and Clinton Library. The purpose of the endowment is to provide income to offset the operations and maintenance costs of the corresponding Presidential library. Each endowment is reflected as a separate investment account in a Collective Fund. NARA also exercises its authority under Title 44 U.S.C. section 2306, to

move a portion of federally held investments for the Presidential Libraries to a third party investment firm, The Vanguard Group. All third party investments are recorded at fair value and interest income earned is recognized on a monthly basis.

#### *F. Inventories*

The National Archives Trust Fund inventories, which consist of merchandise, held for sale, are stated at the lower of cost or market, with cost determined using the average cost method. An allowance for damaged and obsolete goods is based on historical analysis and an evaluation of inventory turnover from year to year. Expenses are recorded when the inventories are sold.

#### *G. Property, Plant and Equipment*

NARA capitalizes property items with a unit cost equal to or exceeding \$50 thousand and a useful life exceeding two years. Depreciation expense is calculated using the straight-line method over the useful life. Property items not meeting the capitalization criteria are expensed.

NARA's PP&E falls into two categories: general PP&E and heritage assets. General PP&E items are used to provide general government goods and services. Heritage assets are defined as possessing significant educational, historic, cultural or natural characteristics, and are not included in the general PP&E. (See Note 7)

Multi-use heritage assets are heritage assets that are used predominantly for general government operations. The costs of acquisition, significant betterment or reconstruction of multi-use heritage assets are capitalized as general PP&E and depreciated, and are included on the Balance Sheet as general PP&E.

#### *H. Internal Use Software*

NARA capitalizes internal-use software development projects, where the total cost is \$250 thousand or greater. Internal-use software includes commercial off-the-shelf (COTS) software and internally developed or contractor developed software. The estimated useful life is 5 years.

#### *I. Federal Employee Benefits*

##### *Employee Health and Life Insurance Benefits*

All permanent NARA employees are eligible to participate in the contributory Federal Employees Health Benefit Program (FEHBP) and the Federal Employees Group Life Insurance Program (FEGGLIP) and may continue to participate after retirement. Both of these programs require contributions from the employee based on the coverage options selected by the employee. NARA makes contributions for the required employer share through the Office of Personnel Management (OPM) to FEHBP and FEGGLIP, which are recognized as operating expenses.

The Office of Personnel Management (OPM) administers and reports the liabilities for the post-retirement portion of these benefits. These costs are financed by OPM and imputed to all Federal agencies, including NARA. Using the cost factors supplied by OPM, NARA recognizes an expense for the future cost of postretirement health benefits and life insurance for its employees as imputed cost on the Statement of Net Costs and imputed financing sources on the Statement of Changes in Net Position.

##### *Employee Retirement Benefits*

All permanent NARA employees participate in either the Civil Service Retirement System (CSRS) or the Federal Employee Retirement System (FERS). NARA makes the required employer contributions to CSRS and FERS and matches certain employee contributions to the thrift savings component of FERS. All of these payments are recognized as operating expenses. The pension expense recognized in the financial statements equals the current service cost for NARA's employees for the accounting period less the amount contributed by the employees. OPM, the administrator of these plans, supplies NARA with factors to apply in the calculation of the service cost. These factors are derived through actuarial cost methods and assumptions. The excess of the recognized pension expense over the amount contributed by NARA and its employees represents the amount being financed directly by OPM and is considered imputed financing to NARA; appearing as an imputed cost on the Statement of Net Cost and an imputed financing source on the Statement of Changes in Net Position.



#### *Workers' Compensation Program*

The Federal Employees Compensation Act (FECA) provides income and medical cost protection to covered Federal civilian employees injured on the job, to employees who have incurred work-related occupational diseases, and to beneficiaries of employees whose deaths are attributable to job-related injuries or occupational diseases. The FECA program is administered by the U.S. Department of Labor (DOL), which pays valid claims and subsequently seeks reimbursement from NARA for these paid claims.

Actuarial FECA liability represents the liability for expected future workers' compensation benefits, which includes the liability for death, disability, medical, and miscellaneous costs for approved cases. The actuarial liability is determined by DOL annually, as of September 30, using a method that utilizes historical benefits payment patterns related to a specific incurred period, wage inflation factors, medical inflation factors and other variables. These actuarially computed projected annual benefit payments are discounted to present value using OMB's economic assumptions for ten-year Treasury notes and bonds. NARA computes its actuarial FECA liability based on the model provided by DOL and presents it as a liability to the public because neither the costs nor reimbursements have been recognized by DOL (see Note 8 and Note 10).

#### *J. Accrued Annual, Sick and Other Leave*

Annual leave is accrued as it is earned, and the accrual is reduced as leave is taken. At the end of each fiscal year, the balance in the accrued annual leave liability account is adjusted to reflect current pay rates. The amount of the adjustment is recorded as an expense. Current or prior year appropriations are not available to fund annual leave earned but not taken. This liability is not covered by budgetary resources, as detailed in Note 8. Funding occurs in the year the leave is taken and payment is made for the appropriated funds. The trust and revolving funds, are fully funding the annual leave earned but not taken, and are including it in the total liabilities covered by budgetary resources.

Sick leave and other types of non-vested leave are expensed as taken. See Notes 8 and 10.

#### *K. Use of Estimates*

The preparation of financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates.

#### *L. Contingencies and Commitments*

NARA generally recognizes an unfunded liability for those legal actions where unfavorable decisions are considered "probable" and an estimate for the liability can be made. Contingent liabilities that are considered "possible" are disclosed in the notes to the financial statements. Liabilities that are deemed "remote" are not recognized or disclosed in the financial statements.

#### *M. Allocation of Program Management Cost*

NARA is comprised of various Operating Administrations, each having its own management and organizational structure. NARA allocates its general management and administrative support to its major components, Records and archives-related services and Revolving fund. General management costs are not allocated to the Trust and Gift Funds, since they are administered by the National Archives Trust Fund Board, which is an organization independent of, and not funded by, NARA (see Note 13). All other programs appearing on the Statement of Net Cost, such as Electronic Records Archives and National Historic Publications and Records Commission Grants are, in essence, a part of the Records and Archives-related services, which funds the related administrative costs. These sub-programs are shown separately for the purpose of demonstrating accountability and custodial responsibility for the funds received for these programs.

#### *N. Earmarked Funds*

NARA is subject to the Statement of Federal Financial Accounting Standards (SFFAS) Number 27, *Identifying and Reporting Earmarked Funds*, which requires separate identification of the earmarked funds on the Balance Sheet, Statement of Changes in Net Position, and further disclosures in a footnote (see Note 13). Earmarked funds are defined when the following three criteria are met: (1) a statute

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committing the Federal Government to use specifically identified revenues and other financing sources only for designated activities, benefits, or purposes; (2) explicit authority for the earmarked fund to retain revenues and other financing sources not used in the current period for future use to finance the designated activities, benefits, or purposes; and (3) a requirement to account for and report on the receipt, use, and retention of the revenues and other financing sources that distinguishes the earmarked fund from the Government's general revenues.

*O. Subsequent Events*

We have evaluated subsequent events and transactions occurring after September 30, 2009 through the date of the auditors' opinion for potential recognition or disclosure in the financial statements. This is also the date that the financial statements were available to be issued.

*Note 2 – Fund Balance with Treasury*

<b>Fund balances (in thousands)</b>	<b>2009</b>	<b>2008</b>
Appropriated funds	\$ 230,544	\$ 179,511
Revolving fund	25,635	32,881
Trust fund	419	145
Gift fund	102	101
Other funds	157	442
<b>Total</b>	<b>\$ 256,857</b>	<b>\$ 213,080</b>

Status of Fund Balances with Treasury

Unobligated Balance		
Available	73,638	40,412
Unavailable	12,263	13,567
Obligated Balance not yet disbursed	170,799	158,659
Other funds	157	442
<b>Total</b>	<b>\$ 256,857</b>	<b>\$ 213,080</b>

Unavailable unobligated balance includes the following

Allotments - Expired Authority	\$ 12,263	\$ 13,567
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Restricted donations, included in the available unobligated and obligated balance above, are obligated in accordance with the terms of the donor. All donations to Presidential Libraries and the National Archives with specific requirements are considered restricted as to purpose. The endowments for the Presidential Libraries are restricted and have been obligated and invested in non-federal investments. The restricted balance as of September 30, 2009 is \$13,440 thousand (of which \$1,219 thousand is unobligated) and \$11,323 thousand as of September 30, 2008 (of which \$667 thousand is unobligated).

Other Funds represent non-entity FBWT funds, consisting of revenue collected and due to the Reagan and Clinton foundations, subject to revenue sharing agreements with the Trust Fund.

The unused fund balance of \$4,509 thousand in canceled appropriation for FY 2004 was returned to Treasury at the end of the fiscal year.

*Note 3 – Investments*

Investments as of September 30, 2009 and 2008 consist of the following  
(in thousands)

	Cost	Interest Receivable	Investments, Net	Other Adjustments	Market value disclosure
<b>Intragovernmental Securities</b>					
Non-Marketable	\$ 11,719	\$ -	\$ 11,719	\$ -	\$ 11,719
<b>Total Intragovernmental</b>	<b>\$ 11,719</b>	<b>\$ -</b>	<b>\$ 11,719</b>	<b>\$ -</b>	<b>\$ 11,719</b>
<b>Other securities</b>					
Vanguard Dividend Growth Fund	230	1	231	11	242
Vanguard Intermediate Term Investment - Admiral	11,799	-	11,799	(109)	11,690
Emerging Markets Stock Index Fund	791	12	803	(65)	738
Vanguard Developed Markets Index Fund	1,320	34	1,354	(222)	1,132
Vanguard Total Bond Market Index Fund- Admiral	6,777	-	6,777	419	7,196
Vanguard Total Stock Market Index Fund- Admiral	1,512	2	1,514	(265)	1,249
Vanguard PRIMECAP Core Fund	1,004	8	1,012	(58)	954
Total Other	23,433	57	23,490	(289)	23,201
<b>Total Investments</b>	<b>\$ 35,152</b>	<b>\$ 57</b>	<b>\$ 35,209</b>	<b>\$ (289)</b>	<b>\$ 34,920</b>

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Amounts for 2008 Balance Sheet Reporting					
	Cost	Interest Receivable	Investments, Net	Other Adjustments	Market value disclosure
<b>Intragovernmental Securities</b>					
Non-Marketable	\$ 10,957	\$ -	\$ 10,957	\$ -	\$ 10,957
<b>Total Intragovernmental</b>	<b>\$ 10,957</b>	<b>\$ -</b>	<b>\$ 10,957</b>	<b>\$ -</b>	<b>\$ 10,957</b>
<b>Other securities</b>					
Vanguard Intermediate Term Investment - Admiral	11,810	-	11,810	(1,168)	10,642
Emerging Markets Stock Index Fund	539	9	548	(145)	403
Vanguard Developed Markets Index Fund	1,161	30	1,191	(207)	984
Vanguard Total Bond Market Index Fund-Admiral	6,352	-	6,352	41	6,393
Vanguard Total Stock Market Index Fund-Admiral	1,335	2	1,337	(185)	1,152
Vanguard PRIMECAP Core Fund	994	7	1,001	(62)	939
Total Other	22,191	48	22,239	(1,726)	20,513
<b>Total Investments</b>	<b>\$ 33,148</b>	<b>\$ 48</b>	<b>\$ 33,196</b>	<b>\$ (1,726)</b>	<b>\$ 31,470</b>

Other securities represent investments in short-term investment funds and fixed-income securities.

*Intra-governmental Investments in Treasury Securities-Investments for Earmarked Funds*

The Federal Government does not set aside assets to pay future benefits or other expenditures associated with earmarked funds. The cash receipts collected from the public for an earmarked fund are deposited in the U.S. Treasury, which uses the cash for general Government purposes. Treasury securities are issued to the Gift and Trust funds as evidence of its receipts. Treasury securities are an asset to the Gift and Trust funds and a liability to the U.S. Treasury. Since the Gift and Trust funds and the U.S. Treasury are both parts of the Government, these assets and liabilities offset each other from the standpoint of the Government as a whole. For this reason, they do not represent an asset or a liability in the U.S. Government-wide financial statements.

Treasury securities provide the Gift and Trust funds with authority to draw upon the U.S. Treasury to make future benefit payments or other expenditures. When the Gift and Trust funds require redemption of these securities to make expenditures, the Government finances those expenditures out of accumulated cash balances, by raising taxes or other receipts, by borrowing from the public or repaying less debt, or by curtailing other expenditures. This is the same way that the Government finances all other expenditures.

*Note 4 – Accounts Receivable, Net*

Accounts receivable consisted of the following:

(in thousands)

	2009		2008	
	Intra- governmental	With the public	Intra- governmental	With the public
<b>Accounts receivable</b>	<b>\$ 14,789</b>	<b>\$ 328</b>	<b>\$ 12,446</b>	<b>\$ 596</b>

*Note 5 – Inventories*

Inventories consist of merchandise held available for current sale at gift shops in the Presidential Libraries and the National Archives buildings.

(in thousands)

	2009	2008
Inventory held for sale	\$ 1,283	\$ 1,379
Allowance for damaged and obsolete goods	(259)	(259)
<b>Net realizable value</b>	<b>\$ 1,024</b>	<b>\$ 1,120</b>

*Note 6 - General Property, Plant and Equipment, Net*

The following components comprise Property, Plant and Equipment as of September 30, 2009 and 2008  
(in thousands):

				2009	2008
Asset category	Estimated useful life in years	Acquisition cost	Accumulated depreciation/ amortization	Net book value	Net book value
Land	N/A	\$ 6,159	\$ -	\$ 6,159	\$ 6,159
Buildings and structures	30	388,960	(195,225)	193,735	206,798
Construction and shelving in progress	N/A	13,270	-	13,270	21,820
Equipment & Shelving	3 to 20	98,594	(55,577)	43,017	28,155
Leasehold Improvements	5	12,580	(2,586)	9,994	5,900
Assets under capital lease	20	5,284	(3,490)	1,794	2,058
Internal-use software	5	195,322	(71,415)	123,907	116,718
Software development in progress	N/A	28,528	-	28,528	28,372
<b>Total property, plant and equipment</b>		<b>\$ 748,697</b>	<b>\$ (328,293)</b>	<b>\$ 420,404</b>	<b>\$ 415,980</b>

Land and Buildings and structures presented on the balance sheet are deemed to be multi-use heritage assets. Assets deemed purely heritage assets are not included on the balance sheet. See Note 7 for further detail.

### **Note 7 - Stewardship PP&E**

NARA is a custodian to multiple assets classified as heritage, including the National Archives Building in Washington, DC, all Presidential Libraries, as well as traditional and electronic holdings, and a variety of artifacts. These heritage assets are integral to the mission of the National Archives and Records Administration to safeguard, preserve, and ensure continuing access to the records of our Government.

Heritage assets, with the exception of those designated as multi-use, are not included on the Balance Sheet, as no financial value is nor can be placed on these assets. The costs of repairs and renovations to the heritage asset buildings are presented separately on the Statement of Net Cost as "Heritage asset renovation costs", and detailed in Note 15.

The major categories of heritage assets for NARA are buildings, land, and NARA's archival holdings and artifacts. For FY 2008 financial statements, NARA's traditional and electronic archival holding were presented in *cubic feet* and *logical data record* units of measure, respectively. During FY 2009, NARA determined it would be more meaningful to report archival holdings by collection (e.g. Presidential, regional) and type of holdings (e.g. traditional, electronic). This treatment more closely aligns with the processes used by NARA to maintain and preserve archival holdings.

	Buildings	Multi-Use Land	Traditional Holdings Collections	Electronic Holdings Collections	Artifacts Collections
National Archives Building	1	-	1	1	1
National Archives Building at College Park	1 (multi-use)	-	1	1	1
NARA regional archives	1 (multi-use)	2	13	-	-
Affiliated archives	-	-	8	-	-
Presidential Libraries	12	-	13	4	13
<b>TOTAL</b>	<b>15</b>	<b>2</b>	<b>36</b>	<b>6</b>	<b>15</b>

#### **Buildings**

Our most iconic asset, the National Archives Building, permanently displays the Declaration of Independence, the Constitution, and the Bill of Rights, collectively known as the Charters of Freedom. National Archives Building also houses textual and microfilm records relating to genealogy, American Indians, pre-World War II military and naval-maritime matters, the New Deal, the District of Columbia, the Federal courts, Congress, and the Vice Presidents Gore and Cheney.

To provide appropriate storage and preservation needs for the growing number of records, NARA was authorized to construct the National Archives in College Park, Maryland. National Archives at College Park collections include electronic records, cartographic and architectural holdings, special media (motion pictures, audio recordings, and videotapes), artifacts, the John F. Kennedy Assassination Records Collection, still pictures, and textual records from most civilian agencies and military records dating from World War II. Because the building also serves as the NARA administrative headquarters, the facility was deemed to be a multi-use heritage asset, and is included in general PP&E on the Balance Sheet (Note 6).

The NARA's regional archives facilities are leased, with the exception of Southeast Regional Facility (SER) in Atlanta, GA, which was constructed on land purchased by NARA. Along with

National Archives at College Park, the building and the land are designated as multi-use heritage assets and are included in general PP&E on the Balance Sheet (Note 6).

Our regional archives contain collections of archival holdings of value for genealogical and historical research; such as Federal census information, naturalization records and passenger lists, as well as closed business and personal bankruptcy case files, civil and criminal case files from Federal courts. The traditional military service records for the 20<sup>th</sup> century and personnel records of former federal civilian employees from mid-1800s through 1951 are managed at the National Personnel Records Center in St. Louis, Missouri.

The affiliated archives store the holdings of the National Archives. While we have agreements with 10 institutions, currently only 8 institutions store NARA's accessioned holdings.

The twelve Presidential Libraries are designated as heritage assets. Each consists of buildings, structures, and land under NARA's management used to store, preserve, and display the collections of traditional archival holdings and artifacts from the respective Presidential administration. This fiscal year, the collections of records and artifacts documenting the Presidency of George W. Bush were absorbed in January 2009, and are housed at a temporary leased facility in Lewisville, Texas, until the construction of the George W. Bush Library at the Southern Methodist University is completed.

#### **Multi-Use Land**

NARA owns two parcels of land, designated as multi-use, each serving as a site for current (SER in Atlanta, GA) or future (Alaska) multi-use regional archival facilities.

**Traditional Archival holdings** consist of the following record types:

- Traditional Textual (paper) are records on paper whose intellectual content is primarily textual.
- Traditional Non-textual (all media) category includes all records not classified as textual (paper), artifacts, or electronic records. It includes still pictures on paper and film; posters; architectural drawings, charts, maps and other cartographic records on paper; textual records on microfilm; as well as motion pictures, video, sound recordings, and other clearly non-textual records.

**Electronic Archival records** are records on electronic storage media, such as word processing documents, spreadsheets, emails (with attachments), databases, satellite imagery, and digital photographs, etc from agencies in the executive, legislative and judicial branches. The three Presidential electronic holding collections, from the Ronald Reagan, George Bush and William J. Clinton libraries, are maintained in College Park, Maryland. The Presidential unclassified electronic materials from the George W. Bush administration have been ingested to our Executive Office of the President (EOP) instance of the Electronic Records Archives system. Also ingested were the electronic records of Vice Presidents Gore and Cheney, which are under the direction of the Presidential Materials Staff at the National Archives building.

#### **Artifacts**

In addition to already discussed artifacts at the National Archives and National Archives at College Park, each of the museums is a repository to a collection of presidential records and artifacts, preserved and exhibited to promote public understanding of the history of the period, the respective Presidential administration, and the career of the President. The artifact collections include gifts from foreign heads of state, luminaries and common citizens with artifacts ranging from high value items, including firearms, jewelry, and works of art, coins and currency to tee shirts, trinkets and curiosities.

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NARA's collections only grow with the accessioning of new records or transfer of Presidential materials. . No collection is ever retired or disposed. For the accession to take place, the Archivist determines, through the formal scheduling and appraisal process, whether records have sufficient administrative, legal, research or other value to warrant their continued preservation by the Government and for how long (44 USC 3303a). When in the public interest, the Archivist may accept Government records for historical preservation (44 USC 2107) and accept non-Government papers and other historical materials for deposit (44 USC 2111). The archivist also administers Presidential and Vice Presidential records in accordance with 44 U.S.C. Chapter 22. Methods of acquisition and disposal are according to the guidelines established through the legal authority granted to NARA. See the Performance Section 2.2 for more details on NARA's performance data on processing records and Section 2.7 for details on NARA's preservation performance.

In FY 2009, the only additions were to the Traditional, Electronic and Artifacts collections resulting from the transfer of George. W. Bush Presidential materials. NARA also purchased a parcel of land to accommodate the JFK library addition, included as Presidential Library Complexes.

Providing physically and environmentally appropriate storage conditions at NARA's facilities is the most essential and cost-effective way to preserve records. Information about the condition and deferred maintenance on NARA owned buildings and holdings is contained in the Deferred Maintenance section of the Required Supplementary Information.

*Note 8 – Liabilities not covered by Budgetary Resources*

Liabilities not covered by budgetary resources are liabilities that are not funded by direct budgetary authority in the current fiscal year and result from the receipt of goods and services, or the occurrence of eligible events, for which appropriations, revenues, or other financing sources necessary to pay the liabilities have not yet been made available through Congressional appropriation. Liabilities not covered by budgetary resources as of September 30, 2009 and 2008, consist of the following:

(in thousands)

	2009	2008
Intragovernmental		
Workers' compensation	\$ 828	\$ 773
Total intragovernmental	828	773
Debt held by the public	193,942	205,868
Accrued unfunded leave	10,157	9,397
Workers' compensation-actuarial liability	11,097	11,338
Total liabilities not covered by budgetary resources	216,024	227,376
Total liabilities covered by budgetary resources	53,885	51,723
<b>Total liabilities</b>	<b>\$ 269,909</b>	<b>\$ 279,099</b>



*Note 9 - Debt Held by the Public*

Public Law 100-440 authorized NARA to "enter into a contract for construction and related services for a new National Archives facility. . . . The contract shall provide, by lease or installment payments payable out of annual appropriations over a period not to exceed thirty years."

In 1989, NARA entered into an installment sale and trust agreement with the trustee, United States Trust Company of New York. Under terms of this agreement, the trustee obtained financing for the construction of the National Archives at College Park through the sale of certificates representing proportionate shares of ownership. NARA is paying off the debt in semiannual installments.

Although the full amount financed of \$301,702 thousand was included (scored) for U.S. budget estimation purposes in fiscal year 1989, NARA requires a congressional appropriation to pay the redemption of debt (principal) and interest costs of \$28,971 thousand, annually. The 25-year semiannual payments of \$14,486 thousand began in 1994 and will be completed in 2019.

<i>(in thousands)</i>	<b>2009</b>	<b>2008</b>
Beginning balance - Principal	\$ 204,420	\$ 215,316
Less : Debt repayment	11,842	10,896
Ending balance - Principal	192,578	204,420
Accrued interest payable	1,364	1,448
<b>Total Debt at September 30</b>	<b>\$ 193,942</b>	<b>\$ 205,868</b>

*Note 10 – Other Liabilities*

Other Liabilities as of September 30, 2009 and 2008 consists of the following:

<i>(in thousands)</i>	<b>2009</b>		
	<b>Non-Current</b>	<b>Current</b>	<b>Total</b>
Intragovernmental			
Workers' and unemployment compensation	\$ 1,302	\$ 1,181	\$ 2,483
Capital lease liability	502	110	612
Accrued payroll	-	2,147	2,147
Advances from others	-	456	456
Total Intragovernmental	1,804	3,894	5,698
Workers' compensation	11,097	-	11,097
Accrued funded payroll and leave	-	13,971	13,971
Unfunded leave	10,157	-	10,157
Other liabilities	-	4	4
Advances from others	-	80	80
<b>Total other liabilities</b>	<b>\$ 23,058</b>	<b>\$ 17,949</b>	<b>\$ 41,007</b>

	2008		
	Non-Current	Current	Total
Intragovernmental			
Workers' and unemployment compensation	\$ 1,512	\$ 1,047	\$ 2,559
Capital lease liability	614	93	707
Accrued payroll	-	1,903	1,903
Advances from others	-	387	387
Total Intragovernmental	2,126	3,430	5,556
Workers' compensation	11,338	-	11,338
Accrued funded payroll and leave	-	13,621	13,621
Unfunded leave	9,397	-	9,397
Other liabilities	-	2	2
Advances from others	-	770	770
<b>Total other liabilities</b>	<b>\$ 22,861</b>	<b>\$ 17,823</b>	<b>\$ 40,684</b>

*Note 11 – Leases*

NARA leases office space, vehicles, copiers, and equipment under annual operating leases. These leases are cancelable or renewable on an annual basis at the option of NARA.

The NARA Revolving Fund conducts the major part of its operation from leased facilities, where most agreements are cancelable operating leases. These leases may be cancelled with four months notice, or, in the case of the Atlanta lease, may be terminated for convenience by NARA, under the provisions of the Federal Acquisitions Regulations.

Only one lease is classified as a capital lease. The capital lease represents liability for shelving leased through GSA at the Philadelphia records facility. It expires in December 2014. A similar capital lease at the Dayton facility expired in September 2007, with no future payments due. The net capital lease liability is covered by budgetary resources, and included in Intragovernmental Liabilities, Other.

The schedule below shows the future minimum payments under the capital lease with the present value of the future minimum lease payments (in thousands):

Capital Leases - NARA as lessee	2009	2008
Summary of assets under capital lease:		
Shelving	\$ 5,284	\$ 5,284
Accumulated amortization	(3,490)	(3,226)

**Description of Lease Arrangements**

**Future payments due**

Fiscal year	
2010	\$ 146
2011	146
2012	146
2013	146
2014	146
After 2014	13
Total future lease payments	743
Less: imputed interest	131
<b>Net capital lease liability</b>	<b>\$ 612</b>

NARA also has the following non-cancelable operating leases with GSA, which include no renewal options:

<b>Records facility</b>	<b>Lease Period</b>
Pittsfield, Massachusetts	January 5, 1994 through January 4, 2014
Dayton (Kingsridge), Ohio	September 1, 2004 through December 31, 2022
Lenexa, Kansas	February 1, 2003 through January 31, 2023
St. Louis, Missouri (permanent records)	February 1, 2010 through January 31, 2030
Pershing Rd, Kansas City, MO	January 1, 2009 through December 31, 2028

Other non-cancelable operating leases with public corporations are detailed below. The Perris, CA, and Atlanta, GA, records facilities' leases have three ten year renewal options after the initial period.

<b>Records facility</b>	<b>Lease Period</b>
Perris, CA	December 1, 2004 through December 1, 2024
Atlanta, GA	October 1, 2004 through September 30, 2024
Ft. Worth, Texas	October 1, 2006 through September 30, 2026
The Annex in Valmeyer, Illinois	October 1, 2008 through September 30, 2028

All GSA and public corporation leases include escalation clauses for operating costs tied to inflationary increases and for real estate taxes tied to tax increases. The minimum future lease payments detailed below reflect estimated escalations for such increases. These amounts will be adjusted to the actual costs incurred by the lessor.

In addition, NARA has a non-cancelable operating lease with Potomac Electric Power Company for a parcel of land used for a parking lot at our building in College Park. The lease is for 20 years, from May 2003 thru April 2023, and contains a set schedule of payments due.

The schedule below shows the total future non-cancelable lease payments by asset class (in thousands):

<b>Operating Leases - NARA as lessee</b>		
<b>Future payments due:</b>	<b>Asset Category</b>	
<u>Fiscal year</u>	<u>Land</u>	<u>Buildings</u>
2010	\$ 129	\$ 17,342
2011	132	22,793
2012	135	26,741
2013	139	27,091
2014	142	25,816
After 2014	1,377	335,396
<b>Total future lease payments</b>	<b>\$ 2,054</b>	<b>\$ 455,179</b>

*Note 12 – Commitments and Contingencies*

NARA has incurred claims in the normal course of business. As of September 30, 2009, in the opinion of General Counsel, NARA has no material outstanding claims. The aggregate potential loss to NARA on all outstanding claims, with a reasonable possibility of an unfavorable outcome is estimated not to exceed \$22 thousand. Of these amounts, certain settlements or awards on tort claim over \$2,500 may be payable from the U.S. Treasury Judgment Fund in accordance with 31 USC 1304.

In addition, the General Counsel identified claims, estimated not to exceed \$144 thousand, in which the likelihood of an unfavorable outcome was determined to be probable. These claims were not presented in the financial statements because the amounts were determined to be insignificant to the financial statements taken as a whole.

*Note 13 - Earmarked Funds*

Earmarked funds are financed by specifically identified revenues, which remain available over time. These specifically identified revenues are required by statute to be used for designated activities, or purposes, and must be accounted for separately from the Government's general revenues. NARA has two funds that are considered earmarked funds; National Archives Trust Fund (NATF) and National Archives Gift Fund (NAGF), which are administered by the National Archives Trust Fund Board.

Congress established the National Archives Trust Fund Board to receive and administer gifts and bequests and to receive monies from the sale of reproductions of historical documents and publications for activities approved by the Board and in the interest of NARA and the Presidential Libraries.

The members of the Board are the Archivist of the United States, who serves as chairman; the Secretary of the Treasury; and the chairman of the National Endowment for the Humanities. Membership on the board is not an office within the meaning of the statutes of the United States. The membership, functions, powers and duties of the National Archives Trust Fund Board shall be as prescribed in the National Archives Trust Fund Board Act of July 9, 1941, as amended (44 U.S. C. 2301-2308). These bylaws are adopted pursuant to the authority vested in the Board by 44 U.S. C. 2303 (3) to adopt bylaws, rules and regulations necessary for the administration of its function under this chapter.

NATF finances and administers the reproduction or publication of records and other historical materials. NAGF accepts, receives, holds and administers, in accordance with the terms of the donor, gifts, or bequests of money, securities, or other personal property for the benefit of NARA activities. The major areas of activity for these funds are Presidential Libraries, the Office of Regional Records Services, and the National Historical Publications and Records Commission.

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Financial Information for NATF and NAGF as of September 30, 2009, and 2008 consists of the following:

	<b>2009</b>		
	NATF	NAGF	Total Earmarked Funds
<b>Balance Sheet as of September 30, 2009</b>			
<b>Assets</b>			
Fund balance with Treasury	\$ 576	\$ 102	\$ 678
Cash	49	-	49
Investments, net	17,955	16,965	34,920
Accounts receivable	134	-	134
Inventory	1,024	-	1,024
Property, plant and equipment	11	-	11
Other	1	-	1
<b>Total assets</b>	<b>19,750</b>	<b>17,067</b>	<b>36,817</b>
<b>Liabilities</b>			
Accounts payable	491	117	608
Other liabilities	1,191	-	1,191
<b>Total liabilities</b>	<b>1,682</b>	<b>117</b>	<b>1,799</b>
<b>Net position</b>			
Cumulative results of operations			
Restricted	-	13,440	13,440
Unrestricted	18,068	3,510	21,578
<b>Total net position</b>	<b>18,068</b>	<b>16,950</b>	<b>35,018</b>
<b>Total liabilities and net position</b>	<b>19,750</b>	<b>17,067</b>	<b>36,817</b>
<b>Statement of Net Cost for the Period Ended September 30, 2009</b>			
Gross Program Costs	16,775	769	17,544
Less Earned Revenues	17,798	-	17,798
Net Costs of Operations	<b>\$ (1,023)</b>	<b>\$ 769</b>	<b>\$ (254)</b>
<b>Statement of Changes in Net Position For the Period Ended September 30, 2009</b>			
Net position, Beginning of fiscal year	16,578	14,541	31,119
Non-exchange revenue	0	691	691
Donations	-	1,984	1,984
Transfers-in/out without reimbursements	(1)	(615)	(616)
Other Budgetary Financing Sources	-	31	31
Imputed financing from costs absorbed by others	466	-	466
Other Financing Sources	-	1,089	1,089
Total financing sources	465	3,180	3,645
Net cost of operations	(1,023)	769	(254)
Change in Net Position	1,488	2,411	3,899
<b>Net Position, End of fiscal year</b>	<b>\$ 18,066</b>	<b>\$ 16,952</b>	<b>\$ 35,018</b>

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(in thousands)	2008		
	NATF	NAGF	Total Earmarked Funds
<b>Balance Sheet as of September 30, 2008</b>			
<b>Assets</b>			
Fund balance with Treasury	\$ 587	\$ 101	\$ 688
Cash	49	-	49
Investments, net	16,993	14,477	31,470
Accounts receivable	439	-	439
Inventory	1,120	-	1,120
Property, plant and equipment	21	-	21
<b>Total assets</b>	<b>19,209</b>	<b>14,578</b>	<b>33,787</b>
<b>Liabilities</b>			
Accounts payable	1,122	37	1,159
Other liabilities	1,509	-	1,509
<b>Total liabilities</b>	<b>2,631</b>	<b>37</b>	<b>2,668</b>
<b>Net position</b>			
Cumulative results of operations			
Restricted	-	11,323	11,323
Unrestricted	16,578	3,218	19,796
<b>Total net position</b>	<b>16,578</b>	<b>14,541</b>	<b>31,119</b>
<b>Total liabilities and net position</b>	<b>19,209</b>	<b>14,578</b>	<b>33,787</b>
<b>Statement of Net Cost for the Period Ended September 30, 2008</b>			
Gross Program Costs	17,740	836	18,576
Less Earned Revenues	18,787	-	18,787
<b>Net Costs of Operations</b>	<b>\$ (1,047)</b>	<b>\$ 836</b>	<b>\$ (211)</b>
<b>Statement of Changes in Net Position For the Period Ended September 30, 2008</b>			
Net position, Beginning of fiscal year	15,078	15,874	30,952
Non-exchange revenue	6	777	783
Donations	-	534	534
Transfers-in/out without reimbursements	-	(632)	(632)
Other Budgetary Financing Sources	-	65	65
Imputed financing from costs absorbed by others	447	-	447
Other Financing Sources	-	(1,241)	(1,241)
<b>Total financing sources</b>	<b>453</b>	<b>(497)</b>	<b>(44)</b>
Net cost of operations	(1,047)	836	(211)
Change in Net Position	1,500	(1,333)	167
<b>Net Position, End of fiscal year</b>	<b>\$ 16,578</b>	<b>\$ 14,541</b>	<b>\$ 31,119</b>

The elimination column was omitted because there was no elimination activity.

*Note 14 – Intragovernmental Costs and Exchange Revenues by Program*

(in thousands)

	<u>2009</u>	<u>2008</u>
<b>Records and Archives Related Services</b>		
Intragovernmental gross costs	\$ 59,511	\$ 51,176
Public costs	297,910	256,031
Total Records and Archives-Related Service Costs	<u>357,421</u>	<u>307,207</u>
Intragovernmental earned revenue	975	261
Public earned revenue	2	-
Total Records and Archives-Related Service Earned Revenue	<u>977</u>	<u>261</u>
<b>Trust and Gift Funds</b>		
Intragovernmental gross costs	2,075	2,176
Public costs	12,357	12,273
Heritage asset renovation costs (Note 15)	-	-
Total Trust and Gift Funds Costs	<u>14,432</u>	<u>14,449</u>
Intragovernmental earned revenue	541	909
Public earned revenue	17,371	17,513
Total Trust and Gift Funds Earned Revenue	<u>17,912</u>	<u>18,422</u>
<b>Electronic Records Archives</b>		
Intragovernmental gross costs	6,698	6,397
Public costs	10,841	3,488
Total Electronics Records Archives Costs	<u>17,539</u>	<u>9,885</u>
<b>National Historical Publications and Records Commission Grants</b>		
Intragovernmental gross costs	-	-
Public costs	6,434	5,511
Total National Historical Publications and Records Commission Grants Costs	<u>6,434</u>	<u>5,511</u>
<b>Archives Facilities and Presidential Libraries Repairs and Restoration</b>		
Intragovernmental gross costs	124	4
Public costs	1,823	96
Heritage asset renovation costs (Note 15)	21,940	11,165
Total Archives Facilities and Presidential Libraries Repairs and Restoration Costs	<u>23,887</u>	<u>11,265</u>
<b>Revolving Fund Records Center Storage and Services</b>		
Intragovernmental gross costs	71,727	70,035
Public costs	91,923	79,340
Total Revolving Fund Records Center Storage and Service Costs	<u>163,650</u>	<u>149,375</u>
Intragovernmental earned revenue	150,031	141,088
Public earned revenue	1,541	1,244
Total Revolving Fund Records Center Storage and Services Earned Revenue	<u>\$ 151,572</u>	<u>\$ 142,332</u>

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Gross costs are classified on the basis of the sources of goods and services. Intragovernmental gross costs are expenses related to purchases from a Federal entity. Intragovernmental earned revenue represents exchange transactions between NARA and other Federal entities.

Public costs are expenses related to purchases from a non-Federal entity, and the exchange revenue is classified as “public earned revenue” where the buyer of the goods or services is a non-Federal entity.

*Note 15 – Cost of Stewardship PP&E*

Stewardship assets consist of heritage assets as defined in Note 7. The Consolidated Statement of Net Cost includes the following costs to renovate heritage assets buildings and structures, as of September 30, 2009 and 2008 (in thousands):

	2009	2008
<i>Asset</i>	<u><i>Appropriation</i></u>	<u><i>Appropriation</i></u>
National Archives Building	\$ 1,672	\$ 2,261
<u>Libraries:</u>		
Roosevelt	1,421	285
Hoover	33	78
Truman	627	930
Eisenhower	694	150
Kennedy	3,019	27
Johnson	4,442	5,328
Nixon	4,723	1,118
Ford	224	97
Carter	4,572	320
Reagan	358	334
Bush	6	233
Clinton	149	4
<b>Total</b>	<b>\$ 21,940</b>	<b>\$ 11,165</b>

For additional information about NARA’s Stewardship Assets see Note 7 and Required Supplementary Information.

*Note 16 – Stewardship PP&E Acquired Through Transfer, Donation or Devise*

Other than permanent records accessioned from other Federal Agencies, NARA may gain ownership of heritage assets received through gifts of money, security or other property. The National Archives Gift fund receives and accepts, holds and administers in accordance with the terms of the donor, gifts or bequests for the benefit of the National Archives Gift Fund activities or Presidential Libraries. Additional information about heritage assets is presented in Note 7, and detailed by the type and quantity of heritage assets collections.

*Note 17 - Apportionment Categories of Obligations Incurred*

OMB typically uses one of two categories to distribute budgetary resources subject to apportionment in a fund. Apportionments that are distributed by fiscal quarters are classified as category A. Category B apportionments usually distribute budgetary resources by activities, project, objects or a combination of these categories. NARA’s Trust fund remains exempt from apportionment.



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The amounts of direct and reimbursable obligations incurred (in thousands).

	Category A		Category B		Exempt		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
Direct	\$372,927	\$348,461	\$ 60,905	\$ 56,161	\$ -	\$ -	\$433,832	\$404,622
Reimbursable	3,289	2,529	165,155	154,503	16,083	17,404	184,527	174,436
<b>Total</b>	<b>\$376,216</b>	<b>\$350,990</b>	<b>\$226,060</b>	<b>\$210,664</b>	<b>\$16,083</b>	<b>\$17,404</b>	<b>\$618,359</b>	<b>\$579,058</b>

*Note 18 - Legal Arrangements Affecting Use of Unobligated Balances*

Public Law 110-161, December 26, 2007, Division D, Title VI, Section 611 authorized that up to 50 percent of NARA's unobligated balances remaining available at the end of fiscal year 2008 to be available through the end of FY 2009. During FY 2009, \$297 thousand was transferred to 2009 appropriation account.

*Note 19 - Explanation of Differences between the Statement of Budgetary Resources and the Budget of the United States Government*

Statement of Federal Financial Accounting Standards No. 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting* calls for explanations of material differences between budgetary resources available, status of those resources and outlays as presented in the Statement of Budgetary Resources (SBR) to the related actual balances published in the *Budget of the United States Government* (President's Budget). However, the President's Budget that will include FY 2009 actual budgetary execution information has not yet been published. The *Budget of the United States Government* is scheduled for publication in January 2010. Accordingly, information required for such disclosure is not available at the time of preparation of these financial statements.

Instead, NARA FY 2008 SBR balances and the related President's Budget are shown in a table below for each major budget account in which a difference exists. The differences are primarily due to reporting requirement differences for expired and unexpired appropriations between the Treasury guidance used to prepare the SBR and the OMB guidance used to prepare the President's Budget. The SBR includes both unexpired and expired appropriations, while the President's Budget discloses only unexpired budgetary resources that are available for new obligations.

(in millions)

	2008			
	Budgetary Resources	Obligations Incurred	Distributed Offsetting Receipts	Net Outlays
Statement of Budgetary Resources	\$ 644	\$ 579	\$ 1	\$ 359
Difference-Expired appropriations	(14)	-	-	-
Difference-Rounding	(1)	-	-	-
Budget of the U.S. Government	\$ 629	\$ 579	\$ 1	\$ 359

*Note 20 - Undelivered orders at the end of the period*

The amount of budgetary resources obligated for undelivered orders at September 30, 2009 and 2008 is \$140,993 thousand and \$122,972 thousand, respectively.

*Note 21 – Reconciliation of Net Cost of Operations (proprietary) to Budget (formerly the Statement of Financing)*

Reconciling budgetary resources obligated during the period to the Net Cost of Operations explains the relationship between the obligation basis of budgetary accounting and the accrual basis of financial (proprietary) accounting. Prior to FY 2007, this reconciliation appeared as the Statement of Financing.

The reconciliation starts with the net obligations incurred during the period. Net obligations incurred are amounts of new orders placed, contracts awarded, services received and other similar transactions that will require payments during the same or a future period. To arrive at the total resources used to finance operations, non-budgetary resources must be added to net obligations incurred. Non-budgetary resources include financing imputed for cost subsidies and unrealized gains and losses from non-federal securities being held by the Gift fund. Resources that do not fund net costs of operations are primarily the change in amount of goods, services and benefits ordered but not yet received, amounts provided in the current reporting period that fund costs incurred in prior years and amounts incurred for goods or services that have been capitalized on the balance sheet. These are deducted from the total resources. Costs that do not require resources in the current period consist of depreciation and asset revaluations. Financing sources yet to be provided are the financing amounts needed in a future period to cover costs incurred in the current period, such as unfunded annual leave and unfunded workers compensation. The costs that do not require resources in the current period and the financing sources yet to be provided are added to the total resources used to finance operations, to arrive at the net cost of operations for the current period.

<i>(in thousands)</i>	<b>2009</b>	<b>2008</b>
Net obligations incurred	\$ 412,218	\$ 396,290
Nonbudgetary Resources	16,017	17,554
Total resources used to finance activities	428,235	413,844
Resources that do not fund net cost of operations	(69,527)	(112,878)
Cost that do not require resources in the current period	48,815	30,580
Financing sources yet to be provided	5,379	5,131
Net cost of operations	<u>\$ 412,902</u>	<u>\$ 336,677</u>

## Required Supplementary Information

### Deferred Maintenance

The National Archives owns and manages assets including the National Archives Building, the National Archives at College Park, MD, the Southeast Regional Archives building in Atlanta, GA, and the Presidential Libraries. The rest of NARA facilities are leased from GSA or the public. All of these support NARA's mission to safeguard and preserve our most significant heritage assets, the national records holdings in our custody.

To ensure the preservation of the archival holdings NARA applies a multi-faceted strategy, which includes storage in appropriate environment, implementation of handling and other preservation policies, and preservation actions, such as holdings maintenance, custom housing, reformatting and conservation treatment.

Through NARA-wide risk and condition assessment processes, which are a function of the day to day operations, such as accessioning of records into the NARA's possession, NARA obtains condition information for its collection type heritage assets.

Extensive preservation actions are required on those records identified as "at-risk" to minimize further deterioration and to remediate damage that has occurred due to age or improper handling and storage conditions prior to arrival at NARA. NARA has identified the backlog of records requiring preservation actions as one of its top challenges, and plans actions annually to address it. The progress on this ongoing challenge is tracked and reported as one of our critical performance measures (section 2.7 in the Performance section of this PAR), as well as through the FMFIA action plan for FY10 (see Other Accompanying Information).

Because the space where the records are preserved is a critical factor to prevent deterioration of the records, NARA has implemented federal records and archival storage standards to reduce damage to holdings prior to their being accessioned by NARA as well as when in the NARA's possession. The costs to address deficiencies related to compliance of NARA owned facilities with these storage standards are reflected in the estimate, below.

NARA uses the condition assessment method to determine the condition of its fixed assets, including stewardship PP&E facilities. The condition assessment surveys (CAS) at NARA are conducted by a professional architectural firm, who prepare Building Condition Reports (BCR), for all NARA owned facilities on a five-year rotating cycle. Facility managers continue to perform condition assessments annually to identify critical needs between BCRs. Maintenance required to bring fixed assets to acceptable condition, which is not scheduled or performed when needed, is included in the deferred maintenance estimate below.

At the end of Fiscal Year 2009, needed maintenance projects for fifteen locations, including twelve Presidential Libraries, have been identified from current BCR reports, and are included in the deferred maintenance estimate.

<i>Category</i>	<i>Method</i>	<i>Acceptable Asset Condition</i>	<i>Estimated Deferred Maintenance</i>
Heritage assets – Buildings	CAS	Good	\$46 to 47 million
Multi-use assets – Buildings	CAS	Good	\$7 to 8 million

NARA categorizes facilities and equipment according to condition using terms such as those shown below:

- *Good.* Facilities/equipment condition meets established maintenance standards, operating efficiently and has a normal life expectancy. Scheduled maintenance should be sufficient to maintain the current condition. There is no critical deferred maintenance on building and equipment in good condition.
- *Fair.* Facilities/equipment condition meets minimum standards, but requires additional maintenance or repairs to prevent further deterioration, increase operating efficiency and to achieve normal life expectancy.
- *Poor/Unsatisfactory.* Facilities/equipment does not meet most maintenance standards and requires frequent repairs to prevent accelerated deterioration and provide a minimal level of operating function.

Due to the scope, nature and variety of the assets and the nature of the deferred maintenance, exact estimates are very difficult to determine. Current estimates include correcting deficiencies that relate to the safety or the protection of valuable materials, modifications to provide safety and public accessibility to the facility, and electrical upgrades to prevent loss of critical data. The estimates generally exclude vehicles and other categories of operating equipment.

## Required Supplementary Information

### Schedule of Budgetary Resources by Major Budget Accounts

(in thousands)

Fiscal Year 2009	Records and Archives-Related Services	Gift Fund	Trust Fund	Electronic Records Archives	NHPRC Grants	Archives Facilities and Presidential Libraries Repairs and Restorations	Records Center and Storage Services	Total
<b>Budgetary Resources</b>								
Unobligated Balance brought forward, October 1:	\$ 11,965	\$1,987	\$ 7,068	\$ 2,993	\$ 878	\$ 24,299	\$ 15,795	\$ 64,985
Recoveries of prior year unpaid obligations	4,523	179	483	470	403	598	2,066	8,722
Budgetary appropriations received	330,308	3,476	-	67,008	11,250	50,711	-	462,753
Spending authority from offsetting collections	15,405	-	15,751	-	-	-	164,920	196,076
Nonexpenditure transfers, net, anticipated and actual	2,000	-	-	-	(2,000)	-	-	-
Permanently not available	15,910	-	-	442	-	-	-	16,352
<b>Total Budgetary Resources</b>	<b>348,291</b>	<b>5,642</b>	<b>23,302</b>	<b>70,029</b>	<b>10,531</b>	<b>75,608</b>	<b>182,781</b>	<b>716,184</b>
<b>Status of Budgetary Resources</b>								
Obligations Incurred	337,219	2,805	16,082	67,354	8,661	21,082	165,156	618,359
Unobligated Balance-available	1,139	2,837	7,220	345	1,870	54,526	17,625	85,562
Unobligated balance not available	9,933	-	-	2,330	-	-	-	12,263
<b>Total Status of Budgetary Resources</b>	<b>348,291</b>	<b>5,642</b>	<b>23,302</b>	<b>70,029</b>	<b>10,531</b>	<b>75,608</b>	<b>182,781</b>	<b>716,184</b>
<b>Change in Obligated Balance</b>								
Obligated balance, net, beginning of period	87,358	98	2,541	20,932	10,555	20,531	17,086	159,101
Obligations incurred net	337,220	2,805	16,082	67,354	8,661	21,082	165,155	618,359
Less: Gross outlays	(328,382)	(2,177)	(16,379)	(51,686)	(6,517)	(20,719)	(162,957)	(588,817)
Less: Recoveries of prior year unpaid obligations, actual	(4,523)	(179)	(483)	(470)	(403)	(598)	(2,066)	(8,722)
Change in uncollected customer payments from Federal sources	7	-	80	-	-	-	(9,209)	(9,122)
<b>Obligated balance, net, end of period</b>	<b>91,680</b>	<b>547</b>	<b>1,841</b>	<b>36,130</b>	<b>12,296</b>	<b>20,296</b>	<b>8,009</b>	<b>170,799</b>
<b>Net Outlays</b>								
Gross outlays	328,382	2,177	16,379	51,686	6,517	20,719	162,957	588,817
Less: Offsetting collections	(15,412)	-	(15,831)	-	-	-	(155,711)	(186,954)
Less: Distributed Offsetting receipts	(9)	(1,334)	-	-	-	-	-	(1,343)
<b>Net Outlays</b>	<b>\$ 312,961</b>	<b>\$ 843</b>	<b>\$ 548</b>	<b>\$ 51,686</b>	<b>\$ 6,517</b>	<b>\$ 20,719</b>	<b>\$ 7,246</b>	<b>\$ 400,520</b>

*Required Supplementary Information*

*Schedule of Budgetary Resources by Major Budget Accounts*

(in thousands)

Fiscal Year 2008	Records and Archives- Related Services	Gift Fund	Trust Fund	Electronic Records Archives	NHPRC Grants	Archives Facilities and Presidential Libraries Repairs &	Records Center and Storage Services	Total
<b>Budgetary Resources</b>								
Unobligated Balance brought forward, October 1:	\$ 11,749	\$ 2,275	\$ 4,993	\$ 6,212	\$ 1,207	\$ 9,795	\$ 27,582	\$ 63,813
Recoveries of prior year unpaid obligations	3,549	3	284	1,326	132	103	806	6,203
Budgetary appropriations received	315,000	2,006	-	58,028	9,500	28,605	-	413,139
Spending authority from offsetting collections	14,034	-	19,195	-	-	-	141,909	175,138
Nonexpenditure transfers, net, anticipated and actual	2,000	-	-	-	(2,000)	-	-	-
Permanently not available	14,250	-	-	-	-	-	-	14,250
<b>Total Budgetary Resources</b>	<b>\$ 332,082</b>	<b>4,284</b>	<b>24,472</b>	<b>65,566</b>	<b>8,839</b>	<b>38,503</b>	<b>170,297</b>	<b>\$ 644,043</b>
<b>Status of Budgetary Resources</b>								
Obligations Incurred	320,116	2,297	17,404	62,572	7,962	14,204	154,503	579,058
Unobligated Balance-available	625	1,987	7,068	768	877	24,299	15,794	51,418
Unobligated balance not available	11,341	-	-	2,226	-	-	-	13,567
<b>Total Status of Budgetary Resources</b>	<b>\$ 332,082</b>	<b>4,284</b>	<b>24,472</b>	<b>65,566</b>	<b>8,839</b>	<b>38,503</b>	<b>170,297</b>	<b>\$ 644,043</b>
<b>Change in Obligated Balance</b>								
Obligated balance, net, beginning of period	64,300	29	1,813	24,351	8,230	16,812	5,046	120,581
Obligations incurred net	320,116	2,297	17,404	62,572	7,962	14,204	154,503	579,058
Less: Gross outlays	(293,496)	(2,226)	(16,346)	(64,664)	(5,504)	(10,382)	(145,196)	(537,814)
Less: Recoveries of prior year unpaid obligations, actual	(3,549)	(3)	(284)	(1,326)	(132)	(103)	(806)	(6,203)
Change in uncollected customer payments from Federal sources	(14)	-	(46)	-	-	-	3,539	3,479
Obligated balance, net, end of period	87,357	97	2,541	20,933	10,556	20,531	17,086	159,101
<b>Net Outlays</b>								
Gross outlays	293,496	2,226	16,346	64,664	5,504	10,382	145,196	537,814
Less: Offsetting collections	(14,019)	-	(19,149)	-	-	-	(145,448)	(178,616)
Less: Distributed Offsetting receipts	(18)	(1,410)	-	-	-	-	-	(1,428)
<b>Net Outlays</b>	<b>\$ 279,459</b>	<b>\$ 816</b>	<b>\$ (2,803)</b>	<b>\$64,664</b>	<b>\$5,504</b>	<b>\$ 10,382</b>	<b>(252)</b>	<b>\$ 357,770</b>

## SECTION 4 OTHER ACCOMPANYING INFORMATION

### **INSPECTOR GENERAL'S ASSESSMENT OF MANAGEMENT CHALLENGES FACING NARA**

Under the authority of the Inspector General Act, the NARA OIG conducts and supervises independent audits, investigations, and other reviews to promote economy, efficiency, and effectiveness and to prevent and detect fraud, waste, and mismanagement. To fulfill our mission and help NARA achieve its strategic goals, we have aligned our programs to focus on areas we believe represent the agency's most significant challenges. We have identified those areas as NARA's top ten management challenges.

#### **1. Electronic Records Archives (ERA)**

NARA's challenge is to build a system accommodating past, present, and future formats of electronic records. However, the ERA program has experienced delivery delays, budgeting problems, and contractor staffing problems. Initial Operating Capacity (IOC) for the ERA Program was delayed from September 2007 until June 2008, and the program functions at IOC were reduced as well. Further, due to delays, the system component to handle all White House records (the Executive Office of the President (EOP) System) was segregated out and pursued down a separate line of programming, and is not able to handle any classified records. The EOP System achieved IOC in December 2008 and all priority data was planned to be loaded into the system by March 2009. However, due to incomplete and inaccurate data received from the White House, the priority data was not loaded into the EOP System until September 2009. In addition, the ERA program experienced delays with the next phase of work (i.e., Increment 3) due to extensive contract negotiations. Increment 3 is scheduled to include: online public access, a Congressional instance, and system access to 25 additional agencies. Currently NARA staff is not able to clearly define what the ERA system will be able to do or what functions it will provide to NARA when the program reaches Full Operating Capability, currently predicted in 2012 at an estimated cost of \$453 million. The success of this mission-critical program is uncertain. The challenge will be to deliver and maintain a functional ERA system that will preserve and provide access to electronic records for as long as needed.

*Audits, investigations, and reviews performed in FY 2009:*

- OIG Monitoring of the Electronic Records Archives Program Status Reports
- OIG Monitoring of the Executive Office of the President (EOP) System
- The Omission of Classified Electronic Records from the EOP System
- Management Letter: Award Fee Program for the Electronic Records Archives Development Contract

#### **2. Improving Records Management**

Part of NARA's mission is safeguarding and preserving the records of our government thereby ensuring that people can discover, use, and learn from this documentary heritage. NARA ensures continuing access to the essential documentation of the rights of American citizens and the actions of their government. The effective management of the

records of the Federal government is key to accomplishing this mission. NARA must work with Federal agencies to ensure the effective and efficient appraisal, scheduling, and transfer of permanent records, regardless of format. The major challenge is how best to accomplish this component of our overall mission while reacting and adapting to a rapidly changing technological environment in which electronic records, and particularly e-mail, proliferate.

NARA also directs the Electronic Records Management (ERM) initiative, one of 24 Government-wide initiatives under the E-Government Act of 2002. The ERM initiative will provide guidance to agencies in managing and transferring to NARA, in an increasing variety of data types and formats, their permanent electronic records. In June 2008, GAO recommended NARA develop and implement an approach to provide oversight of agency electronic records management programs that provides adequate assurance (a) NARA guidance is effective and (b) agencies are following electronic records guidance. NARA, its Government partners, and Federal agencies are challenged with determining how best to manage electronic records and how to make ERM and e-Government work more effectively.

### **3. Information Technology Security**

The Archivist identified IT Security as a material weakness under the Federal Managers Financial Integrity Act reporting process in FY 2007 and FY 2008. NARA's Office of Information Services (NH) conducted an independent assessment of the IT security program using the Program Review for Information Security Management Assistance (PRISMA) methodology developed by the National Institute for Standards and Technology (NIST) in FY 2007. The assessment stated NARA's policy and supporting procedures for IT security were weak, incomplete, and too dispersed to be effective.

Information technology security continues to present major challenges for NARA. The confidentiality, integrity and availability of our electronic records and information technology systems are only as good as our IT security infrastructure. Each year, the risks and challenges to IT security continue to be identified. NARA must ensure the security of its data and systems or risk undermining the agency's credibility and ability to carry out its mission.

*Audits, investigations, and reviews performed in FY 2009:*

- NARA's Transition to Internet Protocol Version 6 (IPv6)
- NARA's Work at Home System
- NARA's Processing of Military Personnel Records Requests
- NARA's Change Control Process
- Investigation related to the Privacy Act/Release of Personally Identifiable Information

### **4. Expanding Public Access to Records**

In a democracy, the records of its archives belong to its citizens. NARA's challenge is to more aggressively inform and educate our customers about the services we offer and the essential evidence to which we can provide access. Of critical importance is NARA's role in ensuring the timeliness and integrity of the declassification process of classified material held at NARA.



Another challenge for NARA, given society's growing expectation for easy and near-immediate access to information on-line, will be to provide such access to records created digitally (i.e., "born digital") and to identify those textual records most in demand so they can be digitized and made available electronically. And finally, given the immense size of NARA's holdings (an estimated 9 billion pages of textual records), NARA must ensure it has the processes and resources necessary to establish intellectual control over its backlog of unprocessed records thereby allowing efficient and effective access to these records.

*Audits, investigations, and reviews performed in FY 2009:*

- Management Letter on Providing Complete Copies of OMPFs

## **5. Meeting Storage Needs of Growing Quantities of Records**

NARA-promulgated regulation 36 CFR Part 1228, "Disposition of Federal Records," Subpart K, "Facility Standards for Records Storage Facilities," requires all facilities housing Federal records to meet defined physical and environmental requirements by FY 2009. NARA's challenge is to ensure its own facilities, as well as those used by other Federal agencies, are in compliance with these regulations; and effectively mitigate risks to records that are stored in facilities not meeting these new standards.

## **6. Preservation Needs of Records**

As in the case of our national infrastructure (bridges, sewer systems, etc.), NARA holdings face degradation associated with time. The Archivist previously identified preservation as a material weakness under the Federal Managers' Financial Integrity Act reporting process. However, in FY 2006, preservation was downgraded to a reportable condition, and it is currently being monitored as a significant deficiency. The OIG strongly disagrees with the agency's position. Preserving and providing access to records is a fundamental element of NARA's duties to the country. NARA cannot provide access to records unless it can preserve them for as long as needed. The current backlog of records needing preservation is growing. NARA is challenged to address this backlog and future preservation needs. The challenge of ensuring NARA facilities meet environmental standards for preserving records (see OIG Challenge #5) also plays a critical role in the preservation of Federal records.

NARA also faces a new challenge associated with electronic records, that of ensuring data integrity throughout the lifecycle of the electronic record.

*Audits, investigations, and reviews performed in FY 2009:*

- Controls over Presidential Library Textual Records
- Regional Archives Compliance with Procedures for Controlling Specially Protected Holdings

## **7. Improving IT Project Management**

Effective project management is essential to obtaining the right equipment and systems to accomplish NARA's mission. Complex and high-dollar contracts require multiple program managers, often with varying types of expertise. NARA is challenged with planning projects, developing adequately defined requirements, analyzing and testing to support acquisition and deployment of the systems, and oversight to ensure effective or efficient results within costs. Further, systems are not always developed in accordance

with guidelines and system acceptance activities may not occur prior to the agency accepting delivery of a system. These projects must be managed and tracked to ensure cost, schedule, and performance goals are met.

*Audits, investigations, and reviews performed in FY 2009:*

- Audit of NARA's Work at Home System
- OIG Monitoring of the Electronic Records Archives Program Status
- OIG Monitoring of the Executive Office of the President (EOP) System
- The Omission of Classified Electronic Records from the EOP System
- Management Letter: Award Fee Program for the Electronic Records Archives Development Contract

## **8. Physical and Holdings Security**

The Archivist has identified security of collections as a material weakness under the FMFIA reporting process. NARA must maintain adequate levels of security to ensure the safety and integrity of persons and holdings within our facilities. This is especially critical in light of the security realities facing this nation and the risks that our holdings may be pilfered, defaced, or destroyed by fire or other man-made and natural disasters.

*Audits, investigations, and reviews performed in FY 2009:*

- Controls over Presidential Library Textual Records
- Regional Archives Compliance with Procedures for Controlling Specially Protected Holdings
- Management Letter: Management of Classified Information at the Washington National Records Center
- Investigation related to Lost/Stolen Presidential Records
- Investigation related Intrusion at Presidential Library

## **9. Contract Management and Administration**

The GAO has identified Commercial Services Management (CMS) as a Government-wide initiative. The CMS initiative includes enhancing the acquisition workforce, increasing competition, improving contract administration skills, improving the quality of acquisition management reviews, and strengthening contractor ethics requirements. Effective contract management is essential to obtaining the right goods and services at a competitive price to accomplish NARA's mission. NARA is challenged to continue strengthening the acquisition workforce and improve the management and oversight of Federal contractors. NARA is also challenged with reviewing contract methods to ensure a variety of procurement techniques are used and used properly in accordance with the Federal Acquisition Regulations.

*Audits, investigations, and reviews performed in FY 2009:*

- Investigation related to a Procurement Integrity Act Violation
- Investigation related to Counterfeit/Grey Market IT Contract Fraud

## **10. Strengthening Human Capital**

Earlier this year, the Partnership for Public Service ranked NARA 29<sup>th</sup> out of 30 large Federal agencies in its "Best Places to Work in the Federal Government" rankings. The

rankings are based on employee responses to the Federal Human Capital Survey (FHCS) administered bi-annually by the US Office of Personnel Management (OPM).

In response to the 2008 FHCS, NARA has performed a deeper analysis of the FHCS data and developed a FHCS Action Plan. The plan focuses Communication, Leadership, Performance Culture, and Training. The plan incorporates the individual strategies developed by each NARA office and identifies objectives, actions to be taken, outcome measures, and improvement targets for each. The plan also describes the process NARA will use to monitor its progress and hold it accountable for achieving results in these areas.

In November 2007, OPM reported NARA had not established a formal human capital plan. NARA has adopted a phased approach to human capital planning.

- In August 2009, NARA released its first formal Strategic Human Capital Plan, which establishes NARA's overall strategic human capital direction, goals, and strategies.
- Next, NARA will work towards a product that will be used to monitor and document activity associated with implementing the strategic human capital plan goals and strategies, and a series implementation plans mapped to specific program office and/or line of business objectives. NARA also plans to develop an accountability system to monitor and evaluate its human capital management policies, practices, and programs.

NARA's challenge is to effectively implement its FHCS Action Plan and phased approach to human capital planning. Results of implementing these actions will demonstrate whether NARA adequately assessed its human capital needs.

*Audits, investigations, and reviews performed in FY 2009:*

- NARA's Workers' Compensation Program (WCP)
- Investigations: Inappropriate Employee Conduct
- Investigation: Transit Authority Check Fraud

## FEDERAL MANAGERS' FINANCIAL INTEGRITY ACT REPORT



### *National Archives and Records Administration*

8601 Adelphi Road  
College Park, MD 20740-6001

October 27, 2009

#### FY 2009 STATEMENT OF ASSURANCE

Managers of the National Archives and Records Administration (NARA) are responsible for establishing and maintaining effective internal controls and financial management systems that meet the objectives of the Federal Managers' Financial Integrity Act (FMFIA). I am able to provide a qualified statement of assurance that with the exception of three material weaknesses, NARA's internal controls are achieving their intended objectives:

- (1) Programs achieve their intended results;
- (2) Resources are used consistent with NARA's mission;
- (3) Programs and resources are protected from waste, fraud, and mismanagement;
- (4) Laws and regulations are followed; and
- (5) Reliable and timely information is obtained, maintained, reported, and used for decision making.

This assessment is based on results of audits and evaluations conducted by the Government Accountability Office (GAO), NARA's Office of Inspector General (OIG), management control evaluations, and other written evaluations conducted in the 12 NARA offices and staff organizations. It is also based on senior management's knowledge gained from the daily operations of NARA programs and systems.

I have also relied upon the advice of the Inspector General concerning this statement of assurance. In most cases we are in agreement with his advice. We differ specifically with the scope of the IT security material weakness and the level of risk associated with significant deficiencies in our preservation program and textual records processing not included in this report.

In addition to the two significant deficiencies, the qualification noted above also includes material weaknesses in holdings protection, IT security, and artifact inventory controls in Presidential Libraries as discussed in the following report. Efforts to fully resolve these material weaknesses are monitored by NARA's senior staff and results are reported directly to me.

A handwritten signature in cursive script that reads "Adrienne C. Thomas".

ADRIENNE C. THOMAS  
Acting Archivist of the United States

NARA's web site is <http://www.archives.gov>

FY 2009 REPORT ON INTERNAL CONTROLS

**Background on FMFIA Requirements**

The objective of the Federal Managers' Financial Integrity Act of 1982 (FMFIA) is to provide reasonable assurance that " (i) obligations and costs are in compliance with applicable law; (ii) funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation; and (iii) revenues and expenditures applicable to agency operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the assets." NARA's internal controls objective noted in the Archivist's statement of assurance are consistent with FMFIA objectives.

The following tables reflect the number of material weaknesses reported by NARA under Section 2 of FMFIA in recent years.

**NUMBER OF MATERIAL WEAKNESSES**

	Number at Beginning of Fiscal Year	Number Corrected	Number Added	Number Remaining at End of Fiscal Year
FY 2006	2	1		1
FY 2007	1		1	2
FY 2008	2		1	3
FY 2009	3	1	1	3

**EFFECTIVENESS OF INTERNAL CONTROL OVER OPERATIONS**  
**Statement of Assurance: Qualified**

Material Weakness	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Holdings Protection	1					1
IT Security Program	1	1	1			1
Artifact Inventory Controls in Presidential Libraries	1					1
<i>Total Material Weaknesses</i>	3	1	1			3

**Continuing Improvements in NARA Holdings Security/Protection**

NARA reported a material weakness in holdings security in FY 2001 based on investigative findings from our Office of Inspector General (OIG). As reported in prior years, corrective steps have been taken, and many actions have been completed. In FY 2006, NARA convened an intra-office Holdings Security Working Group to address remaining issues. Improved holdings security is an ongoing and high priority concern, which will result in continuing reduction of risk. On September 4, 2009, the Acting Archivist announced the establishment of the NARA Holdings Protection Program. This name change from "Security" to "Protection" signals a change of focus. Our intent is to build a proactive structure to replace our current reactive posture. The Holdings Protection Team will comprise archival, loss prevention, and training specialists. Team

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members will work with NARA offices to provide assistance and advice, conduct policy and procedure inspections, and to conduct risk assessments. We believe that over time, this focused program that combines loss prevention, training, and an archival component will enable us to close this long-standing material weakness. During FY 2009, we:

- Updated our most comprehensive policy: Holdings Protection, NARA 1572.
- Held our second annual holdings protection training sessions for staff and contractors who work with archival records, and
- Established a Holdings Protection Program that will guide our future efforts.

In FY 2010, we will staff the new Holdings Protection Program and conduct a risk assessment. This assessment will be based on prevention from loss whether that loss occurs through theft, damage, or accountability issues. Results of this assessment will inform how we will continue efforts in five main areas:

- Policy and Procedures
- Training
- Security for records storage areas
- Internal controls
- Loss preventions and response

#### **Improvement Needed in the NARA IT Security Program**

In FY 2007, NARA's Office of Information Services (NH) conducted an independent assessment of the IT security program using the Program Review for Information Security Management Assistance (PRISMA) methodology developed by the National Institute for Standards and Technology (NIST). The report of that assessment indicated that NARA's IT security program was functioning at a level of "partially compliant" in all areas tested, but warned that the program was overly dependent on the personnel implementing it, and was immature with respect to key processes.

These programmatic deficiencies, described in the PRISMA assessment, do not represent a technical risk to agency IT systems, the data they hold, or to the agency's external partners. However, the threshold condition for a significant deficiency is met and identified here as a material weakness. During FY 2008, we:

- Initiated a Business Impact Analysis that outlined roles and responsibilities, training needs, and system requirements for self assessments, contingency planning, disaster recovery, Continuity of Operations, and system security plan updates,
- Strengthened written policies, and
- Improved the quality assurance processes for the IT Security Program.

In FY 2009, we continued work to enhance IT security at NARA. Accomplishments included:

- Formal authorization for all NARA system owners with specific responsibilities assigned,
- Standard language to ensure that security considerations are incorporated, as necessary, in IT contracts, and
- Updated contingency planning procedures based on results of the FY 2008 business impact analyses.

We believe that with the accomplishments of the past two years we have reduced the risk in our IT Security Program. Beginning with FY 2010, we will continue to monitor progress in this area as a significant deficiency.

*NARA's web site is <http://www.archives.gov>*

Separate from the control weakness just described, issues related to the security of NARA-owned storage devices became known in late September 2009. These issues resulted from the misalignment of policy and contract language regarding the handling of PII on NARA-owned storage devices, specifically hard drives. These policies had not been effectively communicated to all levels of the organization and contracts with media storage and backup vendors were not updated to reflect the policies. There is no evidence that there have been any breaches in PII data to unauthorized users or handlers of PII information stored at NARA.

NARA's CIO is taking proactive measures to ensure all IT employees and contractor staff are well versed and trained in the proper identification, handling, storage, and disposal of PII as it relates to IT systems. Nonetheless, we believe that this deficiency warrants a material weakness designation. We will track this weakness as "IT Implementation of PII Protections."

In addition to a planned upgrade of NARA's network operating system in FY 2010, NARA will focus efforts in the following areas:

- Encryption of laptops.
- Ensure that all hardware maintenance contracts have a "keep disk" option.
- Prohibit the removal of media from NARA premises without proper security, and
- Security procedures for transporting backup tapes.

#### **Improvement Needed in Presidential Library Artifact Inventory Controls**

In October 2007, NARA's Inspector General issued an audit report regarding inventory controls over artifacts in the Presidential Libraries. In that report, the OIG likened weaknesses found in these controls with those cited in the Holdings Security material weakness. We believe that the control families for these two weaknesses are very different and we will continue to address them separately.

In FY 2008, we worked to focus attention and expertise on museum collections. We also worked to strengthen documentation, identify inventory issues and create appropriate mitigation strategies, and foster better communication among the collections staffs at the 12 library sites, the Presidential Materials Staff, and the Office of Presidential Libraries.

In FY 2009, we continued our efforts to improve artifact inventories. Accomplishments included:

- Completed inventory and re-inventory plans customized to individual libraries,
- Implemented periodic reporting requirements, and gathered first year statistics about our progress
- Continued to gather and archive inventories in centralized collections master file,
- Completed the physical inventory of the Reagan museum collection, pursued the resolution of issues identified during the inventory, and
- Completed alterations to the Reagan Library collections storage area to mitigate potential earthquake damage.

In FY 2010, NARA will focus efforts in several areas:

- Develop comprehensive artifact de-accession guidance,
- Identify costs and alternatives to replace our current collections management platform,
- Finalize comprehensive inventory policy and procedures and digital image standards,
- Continue to pursue, support, and monitor individual library inventory projects and goals, and
- Complete a final report on the Reagan Library's 100 percent inventory and use this information to plan high density shelving and other reconfigurations under a Master Storage Plan.

*NARA's web site is <http://www.archives.gov>*

