



# PRESERVING THE PAST TO PROTECT THE FUTURE

National Archives and Records Administration  
2012 Performance and Accountability Report



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

2012 Performance and Accountability Report

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

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## A Message from the Archivist of the United States



I am pleased to present the National Archives and Records Administration's Performance and Accountability Report for FY 2012. This report is one of the many ways we demonstrate our commitment to openness and transparency about NARA's operations – by sharing the results of our progress towards the goals in our Strategic Plan and informing you of how we used our resources during Fiscal Year 2012.

Congress established the National Archives in 1934 to centralize Federal record keeping, with the Archivist of the United States as its chief administrator. NARA is more than just the nation's record keeper and protector of collection of records. We are the stewards of America's story. The work we do every day is rooted in the belief that citizens have the right to see, examine, and learn from the records that guarantee citizens' rights and hold the Government accountable for its actions. The records and artifacts we protect and provide access to are the keys to unlock our nation's history. These records, representing only 2 to 3 percent of all those created by Federal departments and agencies, include billions of records both in traditional and electronic formats in 44 locations across the country. Each month, more of our holdings are available online.

We are nearly halfway through our five-year internal transformation process. Part reorganization, part modernization, and part determination to succeed, this staff-driven effort is helping us increase efficiency and effectiveness for our customers. Throughout we continued to make good progress on important programs and worked diligently to resolve weaknesses. Six transformation goals (described in more detail on page 4) provide us a lens through which to view our strategic goals, fostering new, creative ways to approach our work. These are exciting times for the agency as we work to ensure that NARA's mission of preserving and providing access to Federal Government records created in past centuries remains relevant in the 21<sup>st</sup> century.

You will find more information about our work throughout this report. Highlighting our accomplishments during the past year, we:

- Released the 1940 Federal Census records in digital format, and brought them online for public access. The 1940 Census is made up of 3.8 million images, scanned from over 4,000 rolls of microfilm. Our website allows free access to the 1940 Census images, in addition to 1940 Census maps and descriptions. Working with external partners, we are using the power of crowdsourcing to create a name index of the Census and its more than 100 million names.
- Released a Records Management Directive to the heads of Executive Departments and Agencies. This directive carries out the requirements set out in the November 2011, Presidential Memorandum--Managing Government Records, marking the beginning of an Executive Branch-wide effort to reform records management policies and practices and to develop a 21st-century framework for the management of Government records.

- Launched the Citizen Archivist Dashboard, a portal for public participation in crowd-sourcing activities. The public can contribute tags, transcriptions, images, and collaborate on articles that help make records more accessible.
- Received honors for FederalRegister.gov's innovation and best practices in Government. The Administrative Conference of the United States (ACUS) recognized both NARA and the US Government Printing Office with the first-ever Walter Gellhorn Innovation Award, and praised FederalRegister.gov for "demonstrating efficiency, enhancing customer service, increasing transparency, and streamlining the regulatory process." The ACUS recognizes innovation and best practices by Government agencies.
- Launched an internal collaboration network (ICN) for NARA staff. ICN is a cross-departmental tool for collaboration and knowledge sharing. The ICN helps NARA staff reach our transformation goals by sharing best practices, communicating across offices, and creating a searchable knowledge base.

We also made strides in ensuring that our resources are well managed with the proper oversight. I can provide reasonable assurance that the performance data in this report is reliable and complete. I am also able to provide a qualified statement of assurance that, with the exception of four material weaknesses—holdings protection, information technology security, inventory control over artifacts in the Presidential Libraries, and archival records preservation—NARA's internal controls are achieving their intended objectives, as defined by OMB Circular A-123. 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 each of NARA's offices and staff organizations. It is also based on executive leaders and managers' knowledge of the daily operations of NARA programs and systems. Finally, I have also relied upon the advice of our Inspector General concerning this statement of assurance.

To address our material weaknesses, NARA staff created and will implement individual action plans. Additional details on these action plans, as well as progress made during FY 2012, are found in our Federal Managers' Financial Integrity Act (FMFIA) report located in the appendix.

NARA looks forward to reporting further progress to the Nation and our partners as we strive to effectively achieve our mission and work to ensure that the citizens of our country are free to inspect, use, and learn from the records of the Government. Over the next several years, as NARA staff continue work to transform the agency to better serve the citizens, we hope to further engage you in the conversation.



David S. Ferriero  
Archivist of the United States

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*The National Archives at Philadelphia has developed a partnership with Temple University's secondary social studies certification program to provide a field service certification to pre-service teachers through a National History Day Philadelphia collaboration. This project is the first of its kind in the nation. It serves as a model of innovation in enabling pre-service teachers as they enter the classroom.*

## 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, in accordance with the Reports Consolidation Act of 2000 and mandated by the Accountability of Tax Dollars Act of 2002, and covers activities from October 1, 2011, through September 30, 2012.

### ***How to Use This Report***

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 2012. 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 targets in FY 2012. 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. Information about evaluations of NARA programs and NARA's evaluation of Federal agency compliance with Federal Records Management policy is also included. 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/>.
- **Financial Section**  
Look here for our FY 2012 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 and our Financial Manager's Financial Integrity Act (FMFIA) report.

## 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, updated in September 2009, and covering the period FY 2010 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.

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, education, and grants programs.
- 6: We will equip NARA to meet the changing needs of our customers.



*This year, NARA staff produced a video about Lee-Payne's 1963 photo, featuring Lee-Payne and photographer Rowland Scherman. The 3 minute video is available on NARA's YouTube channel at <http://tiny.cc/MLKmarch>.*

It began with a picture identified as a "young child in March on Washington," snapped by an anonymous photographer at the March on August 28, 1963. This photograph was filed away with the hundreds taken that day. In 1980, NARA staff put the little girl's photo in a guide to the still picture collection. We didn't know her name, and she didn't know about the picture. Fast forward to 2009 when a woman saw the now iconic picture on a Black History calendar and recognized her cousin, Edith Lee-Payne. Lee-Payne searched for the original photo, starting with the Smithsonian, then moved to the Library of Congress where she found a copy that was credited to NARA. Rutha Beamon was on phone duty in NARA's Still Pictures Division when Lee-Payne called. Beamon found the photo as well as two others with Lee-Payne's mother and aunt in the background.

"It is very humbling and gratifying to have been captured in photos viewed and used around the globe," Lee-Payne wrote in an email. "At that moment, the photographer captured my indescribable and unbelievable feelings as I listened and felt and saw, simultaneously, despair and hope on the faces of people around me, including my mother."

## NARA's Transformation

To meet the President's call to reorganize government to give the people "a government that's more competent and more efficient," we are working to reinvent ourselves to meet the demands of the digital age. NARA is in the middle of a major transformation, begun in FY 2011, which will take several years to complete. Part of that transformation included a restructuring of the organization to better serve the American people and the Government, with an emphasis on living the principles of Open Government – transparency, participation, and collaboration. To effect these changes, we needed to clarify our values as an organization:

- We are a diverse staff unified by our strong commitment to protect records, help people use them, and support an open and responsive government.
- We want to do our personal best and make our agency the world's best archives.
- We believe in:
  - **An open, inclusive work environment** – built upon respect, communications, integrity, and collaborative team work.
  - **Encouraging creativity and investing in innovation** – to build our future
  - **Pursuit of excellence through continuous learning** – becoming smarter all the time about what we know and what we do in service to others.



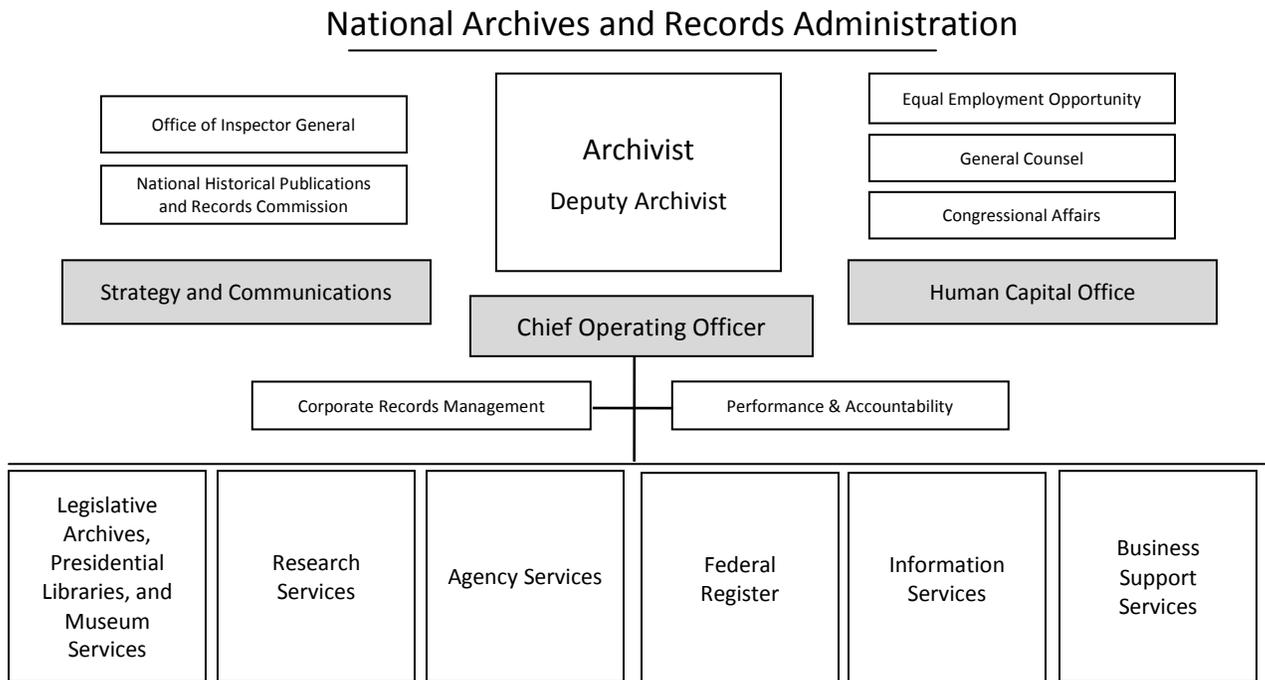
We commit to these values as the path to achieving NARA's six Transformational outcomes. These six transformations must be achieved in the next several years to meet the challenges of the future, improve performance and management, and better serve the American people.

- *One NARA* – We will work as one NARA, not just as component parts.
- *Out in Front* – We will embrace the primacy of electronic information in all facets of our work and position NARA to lead accordingly.
- *An Agency of Leaders* – We will foster a culture of leadership, not just as a position but as the way we all conduct our work.
- *A Great Place to Work.* – We will transform NARA into a great place to work through trust and empowerment of all of our people, the agency's most vital resource.
- *A Customer-Focused Organization.* – We will create structures and processes to allow our staff to more effectively meet the needs of our customers.
- *An Open NARA.* – We will open our organizational boundaries to learn from others.

## 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 *Archives.gov*, commenting on regulations at the Government-wide site *Regulations.gov*, searching online databases of records and information, interacting with us through a growing suite of social media sites, or engaging in a host of other activities through *Archives.gov*. We continue to encourage this trend, by innovating how and where we reach our customers and fully embracing open government through a wide range of initiatives.



*Figure 1. NARA's Organization Chart (as of September 30, 2012)*

The Reagan Library is taking “going green” and fire safety to a new level: they are using 900 goats. “Last year, the Ventura County Fire Department broached the idea with us,” said Reagan Library Director Blackwood. “We’ve partnered with them for more than 10 years with brush clearance. I don’t know how exactly, but the fire department was approached by these people with goats, and they thought they’d give it a try.”

Both staff and public responded positively to the use of goats to clear brush. “The public just loves it,” Blackwood said. “I mean, it’s a fascinating thing to watch. There are big goats and small goats, and they make funny noises and munch, munch, munch all day long. It’s just amazing.”



*Goats clear brush on the grounds of the Reagan Presidential Library in Simi Valley, CA.*

Annual brush clearing is an important part of fire abatement because the Library is located in a fire-prone area. The Library took on 400 goats last year to clear 13 acres of brush around the property. This year, 900 goats covered 40 acres. A portable fence was placed to move the goats around and keep them safe. A sheep herder also lived on the property for the entire time to watch over the goats.

The goat program is organized and paid for by the fire department, so no special clearance is required to have the goats on property. Our other partner in this experience is the California State and Wildlife Commission to ensure that having the goats on site does not disrupt the habitat of other species.

**National Archives and Records Administration**  
Performance and Accountability Report, FY 2012

**Personnel on Board\***

All funds as of September 30, 2012	Washington, DC, Area			Other NARA Locations			Nationwide Total		
	Full– Time Perm	Other	Total	Full– Time Perm	Other	Total	Full– Time Perm	Other	Total
Presidential Libraries	29	1	30	380	84	464	409	85	494
Legislative Archives, Presidential Materials, & Public Programs	92	12	104	13	0	13	105	12	117
Research Services	571	118	689	146	48	194	717	166	883
Agency Services	349	28	377	927	420	1,347	1,276	448	1,724
Electronic Records Archives	53	2	55	0	0	0	53	2	55
Federal Register	81	0	81	1	0	1	82	0	82
Office of Inspector General	29	0	29	0	0	0	29	0	29
<b>Total</b>	<b>1,204</b>	<b>161</b>	<b>1,365</b>	<b>1,467</b>	<b>552</b>	<b>2,019</b>	<b>2,671</b>	<b>713</b>	<b>3,384</b>

\* Admin Staff distributed across Program Offices



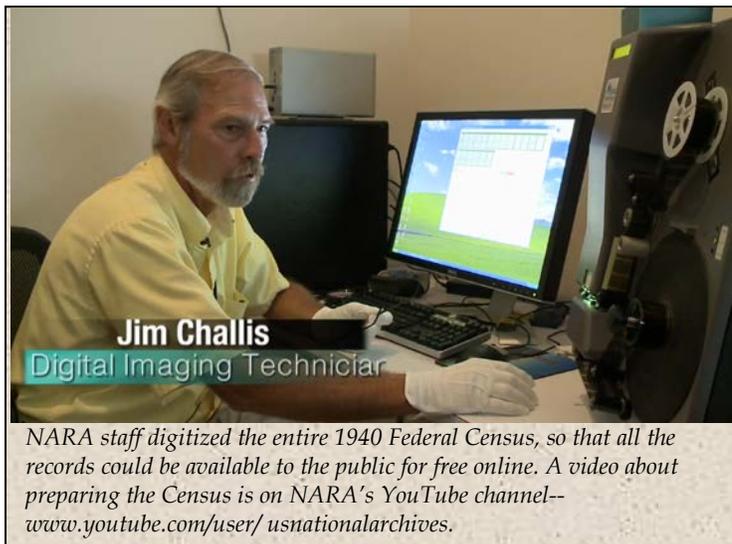
*Michael Pupa stands next to his photograph in the National Archive's "Attachments" exhibit in Washington, DC. The photograph was attached to his file when he entered the United States as a displaced person and Holocaust orphan. Until the curator and press officer at the National Archives contacted him, his family had no idea of the story of his childhood.*

## An Overview of the Challenges Facing NARA

When the National Archives began in 1934, the challenge was finding the records of our nation and bringing them together in one place. It did not take long for sheer volume to become a huge challenge for the Archives. In the 20th century, one of our biggest challenges was finding ways to preserve records when information technology changes so rapidly, resulting in format and technological obsolescence. Today, progress in information technology and changing expectations of the public are driving the National Archives to look beyond records and electronic files to become purveyors of information, which is readily available regardless of format or technological platform.

Thomas Jefferson said, “Information is the currency of democracy.” Jefferson’s timeless observation can be heard in the President’s commitment to openness and transparency, both to increase Government’s accountability to the people and to stimulate economic growth in information industries. Both outcomes are guiding principles for the Archives. To keep democracy healthy and vibrant, we believe strongly that information must be circulated and made available so it can be put to use by as many people as possible.

We see ourselves at a critical juncture – a transformational opportunity, if you will. We believe NARA’s role has never been more important. At a time when citizens and politicians are divided about the direction of our country, NARA’s commitment to a culture of openness and an informed citizenry is at the heart of what we do. We grapple with the challenges of preserving and providing access to a collection that translates into 12 billion sheets of paper, 42 million photographs, miles of video and film, and more than 500 Terabytes of electronic records. At the same time, we strive to bring that content to where the citizens are most likely to discover and use it.



Two years ago, NARA began a process of transformation that is resulting in an organization better aligned to serve our customers. The new organization brought together like services across the country for the first time in a new configuration that has reduced redundancy, is more efficient, and is designed to improve the user experience.

As we better understand our customers’ needs through new perspectives afforded us by a realigned organization, we increasingly seek opportunities to communicate more efficiently and effectively with the public – to learn from our customers – to help us more effectively deliver information when and where they need it, and through their communications channel of choice. Government agencies also depend on NARA’s records management leadership to

help them more effectively carry out their missions and to ensure that permanently valuable agency records are identified and transferred to NARA's legal custody and protection.

As the volume and complexity of Government data continues to grow and the electronic formats in which records are created continue to proliferate, the challenges we face to achieve our core goals increase. Below are our most pressing challenges:

- The Federal Government is producing increasing volumes of “big data,” and there is a growing demand for it from the public, in educational and research institutions, and in the commercial sector. “Big data,” by definition, refers to data sets whose size is beyond the ability of typical software tools to capture, store, manage, and analyze. The National Archives has been pushed to the forefront of this issue, as Federal agencies expect us to store and preserve their “big data” sets, and the public expects us to quickly deliver that data in accessible formats, for their immediate use and re-use.
- We must identify and address the deficiencies that compromise effective records management across the Federal Government. Because our mission includes ensuring continuing access to the essential documentation of the rights of American citizens and the actions of their government, 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, and in collaboration with the Administration through a Presidential Memorandum for Managing Government Records (November 28, 2011) and a Records Management Directive (August 24, 2012), NARA is playing an essential part in building a framework for Federal records management in the 21<sup>st</sup> century.
- We acknowledge the continuing need for vigilance in protecting our holdings, balancing the need for access to the holdings with the need to secure them. As the variety of media we protect changes, we must constantly adapt our understanding of how to best secure information, protect the integrity of the content, 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.
- We must tackle storage and space issues that challenge us in housing and preserving historically valuable records transferred to our custody. 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 strive to put more of our holdings online, we need to rapidly accelerate our innovation activities and culture, supporting innovation in public access delivery, and demonstrating leadership in the archival and information access field. The demand is great, as evidenced by the 100 million hits the online 1940 Census drew in two days in April. Creating an information technology infrastructure that can support our vision, and boldly and smartly moving some projects to the cloud as we did with the 1940 Census are among the solutions to this challenge.

- As we lead the National Declassification Center, we must work with other equity agencies to streamline the review and declassification of records more than 25 years old under Executive Order 13526 and ensure that declassified records are released to the public as soon as possible. We must meet the 2013 deadline to address referrals and quality assurance problems to permit public access to the more than 360 million pages of archival holdings previously subject to automatic declassification.

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 reflect many of the themes identified by NARA management.

## Performance Highlights

### Using the National Archives and Records Administration in FY 2012

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 2012.

	Researcher Visits	Written Requests	Public Program Attendees	Exhibit/Museum Visitors	Online Visits
Federal Register	—	319	257	—	246,347,581*
Legislative Archives	—	741	—	—	—
National Personnel Records Center	—	973,607	—	—	—
Nationwide Records Mgmt Training	—	—	4,187	—	—
National Archives at Anchorage	582	388	246	0	—
National Archives at Atlanta	3,781	2,177	15,674	18,118	—
National Archives at Boston	4,367	2,233	3,701	2,829	—
National Archives at Chicago	2,077	3,388	859	1,659	—
National Archives at College Park	47,867	22,505	770	0	—
National Archives at Denver	2,029	401	1,264	0	—
National Archives at Fort Worth	4,296	2,390	33,304	0	—
National Archives at Kansas City	2,736	3,743	7,819	10,341	—
National Archives at New York	3,976	3,647	8,912	0	—
National Archives at Philadelphia	3,048	1,056	7,843	781	—
National Archives at Riverside	2,216	3,353	6,488	0	—
National Archives at St. Louis	2,723	44,696	2,430	1,309	—
National Archives at San Bruno	3,256	2,220	866	1,140	—
National Archives at Seattle	2,286	1,203	2,060	124	—
National Archives Building (DC)	26,920	7,038	**45,282	1,083,278	—
<b>Totals</b>	<b>112,160</b>	<b>1,075,105</b>	<b>141,962</b>	<b>1,119,579</b>	<b>—</b>

#### Presidential Libraries

Hoover	415	946	36,215	44,549	321,409
Roosevelt	1,244	2,090	20,457	84,360	370,105
Truman	716	2,363	44,357	63,579	2,482,610
Eisenhower	1,335	2,711	35,044	202,938	716,333
Kennedy	1,224	5,150	40,817	208,313	3,019,353
Johnson	1,532	3,073	15,464	87,411	1,467,152
Nixon	1,217	1,175	4,143	92,590	1,365,168
Ford	658	1,125	22,912	299,189	1,254,300
Carter	727	734	20,189	51,746	768,409
Reagan	798	369	40,380	380,570	1,746,648
Bush 41	687	1,294	124,286	116,770	717,095
Clinton	82	1,320	186,804	312,396	805,903
Bush 43	—	702	325	0	912,345
Presidential Library Other***	—	133	—	—	5,104
<b>Presidential Libraries Total</b>	<b>10,635</b>	<b>23,185</b>	<b>591,393</b>	<b>1,944,411</b>	<b>15,951,934</b>
<i>Archives.gov</i>	—	—	—	—	25,895,021
<i>Our Documents.gov</i>	—	—	—	—	2,280,657
<b>GRAND TOTAL</b>	<b>122,795</b>	<b>1,098,290</b>	<b>733,335</b>	<b>3,063,990</b>	<b>44,127,612</b>

\* Measurement methodology for counting *Online Visits* for *Federal Register* documents differs from other *Online Visits* counts. *Federal Register* *Online Visits* are not included in table totals.

\*\* *Public Programs Attendees* for the National Archives Building in Washington, DC, includes all Washington, DC, area programs.

\*\*\* *Presidential Library Other* covers general requests to the Office of Presidential Libraries and Presidential Materials Staff, 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 2012 performance. Highlights of some of this year’s major accomplishments under each strategic goal follow the chart.

**Snapshot of 2012 Performance**

**Strategic Goal 1: Managing the Government’s Records**

*Results: We met 1 out of 2 performance measures (1.1 and 1.2 data not yet available)*

<i>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.</i>							
1.1: By 2016, 50 percent of agencies achieve passing scores for compliance with Federal records management policy. 1.2: By 2016, 90 percent of customers are highly satisfied with NARA records management services. 1.3: By 2016, records management transactions serviced by the Federal Records Centers Program grow by 6 percent. 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.							
Performance Indicator	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Target	2012 Actual
Percent of agencies achieving a passing score for compliance with Federal records management policy	–	–	22	6	10	10	TBD
Percent of Federal agency customers that are highly satisfied with NARA records management services	81	–	81	–	–	90	TBD
Percentage point growth in records management transactions in the Federal Records Centers	–	–	–	2.3	1.6	1	1.1
High Priority Measure: Percent of requests for military personnel records answered in 10 working days or less (target 85 percent by 2012)	59	72	70	70	77	85	73

In November 2011, President Obama issued a memorandum to heads of executive departments in the Federal government, announcing an effort to reform Federal records management policies and practices. The memorandum sent a clear message to Federal agencies about the importance of managing electronic records and their critical responsibilities. The President reiterated in the memo that “proper records management is the backbone of open government,” and reminded agencies that the records they transfer to the National Archives provides “the prism through which future generations will understand and learn from our actions and decisions.” He also noted that “modernized records management will also help executive departments and agencies (agencies) minimize costs and operate more efficiently.”

Agencies were required by the memorandum to name a senior agency official to supervise an agency-wide evaluation of its records management programs. Those evaluations have taken place throughout FY 2012. Agencies have indicated to us that they are using the results of NARA's annual Records Management Self-Assessment to inform their program improvement planning.

We continued our program for annual agency self-assessments of Federal records management programs, targeted inspections by NARA staff, and reporting standards for making public our findings. We conducted our fourth annual self-assessment in FY 2012 and are analyzing the data for release later this year. The 2011 report *Records Management Self-Assessment 2011: An Assessment of Records Management Programs in the Federal Government* can be found at <http://www.archives.gov/records-mgmt/pdf/rm-self-assessment.pdf>. The results of each year's assessment are used to identify key areas to target for inspection.

The 2011 survey indicated that a large majority of Federal agencies that responded remain at high to moderate risk of compromising the integrity, authenticity, and reliability of their records. They risk improper management and disposition of records or, in some cases, they are saving their records but not taking the necessary steps to ensure that they can be retrieved, read, or interpreted.

However, this report also revealed positive trends. There was a slight increase in the number of agencies that scored in the Low Risk category. In addition, a number of agencies have in place or are working on guidance for managing records in social media and web 2.0 platforms as well as cloud computing environments. Federal

During a research trip to the National Archives in Seattle recently historian Jennifer Stevens solved a mystery that had long puzzled her — when she was younger she wondered why there are horizontal lines across the Boise Foothills. She knew they were too uniform to be natural, but no one she asked knew about them. Later Jennifer, now principal with Stevens Historical Research Associates, was hired to write the history of the Foothills. She discovered the lines were contour trenches created by the Bureau of Land Management (BLM) in 1959 in response to flooding and a major mud slide. While Jennifer was doing other research this year at the National Archives in Seattle she stumbled across an entire box of BLM records about the trenching project. The records include photos of bulldozers cutting into the hillsides. She reported it was a 'good find that day in the archives.' The records also document a time before significant public and environmental monitoring of major Federal projects.

Appendix - Report of Accomplishments, Boise Front Watershed Restoration Project



Above - Aerial view down Picket Pin Creek looking West toward the city of Boise. Gullies and sediment in the stream channel resulted from August, 1959 fire and rainstorm.

Below - Same view as above, after land treatment measures were completed.



Boise Front Watershed Restoration Project, BLM

agencies recognize the need for performance metrics for their records management programs, and several agencies have established sophisticated metrics that can serve as a model for others. Also, agencies are increasingly transferring their permanent electronic records to NARA using the Electronic Records Archives, NARA's strategic initiative to preserve and provide long-term access to the electronic records of the Federal Government.

Timely responses to requests from our customers are important to NARA. Our National Personnel Records Center (NPRC) responds to more than one million written requests each year from former members of the military services, various Federal, state, and local government agencies, historians, genealogists, researchers and other requesters. Improved response time for requests for military personnel records is an agency high priority goal for NARA. Despite our best efforts, we failed to achieve our target of 85 percent of military personnel records responded to within 10 working days. Instead, we responded to 73 percent within 10 working days. A continuing challenge is reconstructing service records from World War II and Korean War records that were lost or damaged in a 1973 fire in St. Louis. We rebuild these records from other sources upon request, but it is a time-intensive effort, often taking months to reconstruct a single record. If we look at only our responsiveness to military separation requests (DD-214s), we answered 92 percent in 10 working days or less.



*Soldiers from the 5<sup>th</sup> Aviation Battalion at Fort Polk, LA, flew in for a surprise day trip to visit the George H.W. Bush Presidential Library and Museum at Texas A&M University. About 55 soldiers aboard 15 helicopters made the 90 minute flight from the Joint Readiness Training Center in Louisiana.*

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

*Results: We met 5 out of 7 performance measures.*

<p><i>Goal 2: We will preserve and process records to ensure access by the public as soon as legally possible</i></p> <p>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 2016, 90 percent of agency declassification programs earn high scores from ISOO. 2.4: By 2016, NARA archival holdings of 25-years-old or older records are declassified, exempted, or referred under the provisions of Executive Order 13526. 2.5: By 2016, 100 percent of archival holdings are stored in appropriate space. 2.6: By 2014, 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.</p>
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Performance Indicator	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Target	2012 Actual
Percent of transfers of targeted archival records received at the scheduled time (electronic only for FY 2012)	—	40	21	27	20	30	37
Percent of archival holdings that have been processed to the point where researchers can have efficient access to them	21	30	41	47	53	60	60
Percent of agency declassification reviews that receive high scores as assessed by ISOO	—	36	53	67	81	90	94
Number of pages completing quality assurance for declassification processing (in millions) since January 1, 2010	—	—	—	—	108	251	202
Annual number Presidential pages scanned (in thousands)	512	519	545	531	831	500	79
High Priority Measure: Percent of NARA archival holdings in appropriate space (target 85 percent by 2012)	80	73	70	71	78	85	94
High Priority Measure: Percent of NARA records center holdings in appropriate space (target 85 percent by 2012)	—	—	—	62	67	85	80
Percent of archival holdings that require preservation action	65	65	65	64	62	≤ 65	61

Our commitment to ensuring access to the records of our nation depends heavily on getting the records transferred from agencies to NARA on schedule. Without the proper identification, schedule, disposition, and transfer of these important records to the National Archives, the Federal Government is vulnerable to losing these records. NARA works closely with agencies to get more of their high value records transferred on schedule, or even ahead of schedule, as in the case of some electronic records. We set a target to bring in 30 percent of selected electronic records on schedule; we received 37 percent on schedule. We expect to see further improvement in bringing in targeted electronic records as more agencies adopt use of our Electronic Records Archives (ERA) system, which is mandatory for agencies beginning in FY 2013.



*Diligent volunteers working on the Civil War Widow's Certificate digitization process closed in on 100,000 files. These volunteers come in on Mondays to the National Archives Building in Washington, DC. A video detailing the project of digitizing these records can be viewed on NARA's YouTube channel (<http://www.youtube.com/user/usnationalarchives>)*

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. Although the percent of processed records has improved from 30 percent in FY 2008 to 60 percent in FY 2012, the processing backlog of textual and audiovisual records has grown over the decades. During the year, we studied and analyzed our processing workflow, looking for new ways to improve efficiencies. The processing of Presidential records differs from processing Federal records because of requirements in the *Deeds of Gift*, the *Presidential Recordings and Materials Preservation Act*, and the *Presidential Records Act*. These legal authorities require NARA to conduct a page-by-page review of Presidential records, which has a significant impact on the volume of records that NARA releases to the public. To this end, we continue to make steady but slow progress in the processing of our backlog of Presidential records.

Since the issuance of Executive Order 13526, which directed NARA to establish and lead a National Declassification Center (NDC), we have been working diligently to promote collaboration among agencies to expedite the review and declassification of 25-year old and older classified records. We have improved our metrics and data analysis and continue to hone our January 1, 2010, backlog from an initially estimated 400 million pages to about 367 million pages. We performed end-to-end tracking on the new backlog, with more than 200 million pages completing the quality assurance process since January 1, 2010. Our biggest challenge continues to be our work with agency partners and the Department of Energy to address the page-level review mandated for all documents lacking Kyl-Lott certification for the identification of Restricted Data/Formerly Restricted Data. The lack of proper documentation affects nearly half of the remaining backlog. We continue to identify collaborative approaches to address this problem.

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 National



For the past several years, the Jimmy Carter Presidential Library, in Atlanta, Georgia, has partnered with the U.S. Citizenship and Immigration Service to hold a naturalization ceremony near the Fourth of July. This year, 64 citizenship candidates and their families were welcomed by museum curator Sylvia Naguib, who is herself a naturalized citizen. The candidates then watched a video of congratulations from President Obama, were led in the Oath of Allegiance, and waved flags to the song God Bless the USA, after which Sylvia and immigration officials gave the candidates their certificates as new American Citizens.



Archives at Atlanta. We identified appropriate storage of archival and non-archival holdings as two of NARA’s high priority performance goals. Appropriate storage space is the most fundamental component in achieving our mission to safeguard and preserve the records of the Federal Government.

The renovation of the aging Franklin D. Roosevelt Library will provide environmentally appropriate, safe, and secure space for the long-term care of archival and artifact collections. The renovation also improves conditions for the staff, researchers, and visitors and helps to increase productivity and satisfaction of the facility as a place for work and research. The first phase of this project, including work to the exterior of the building and renovations to the historic stacks and research room, was completed. Site design for the second phase, which includes upgrades to exhibit areas and artifact storage spaces, was completed, and work is expected to conclude in FY 2013 in time for a new public exhibit opening.

The National Archives at New York began its move to a new location in lower Manhattan at the Alexander Hamilton U.S. Custom House, 1 Bowling Green. The new facility includes a Welcome Center that introduces visitors to the Archives and features an original document display; a Reference Room with 24 public access computers; a Research Room; and a dedicated Learning Center to facilitate expanded educational outreach and new public programming initiatives. In addition, a temporary exhibit, "The World's Port: Through Documents of the National Archives" opened in the Rotunda of the Custom House on September 26th.

NARA’s mission is rooted in preserving and providing access to the permanent records of the Federal Government – now, and in the future. About 61 percent of NARA’s textual and non-textual records need some type of preservation action, ranging from conservation to re-folding or reboxing. We regularly examine our holdings to assess their preservation needs, provide storage conditions that retard deterioration, and treat, duplicate, or reformat records that need immediate action. As noted earlier, storing records in appropriate space is the most fundamental step we can take to preserve records. In FY 2012, we treated about 102,000 cubic feet of holdings needing preservation action.

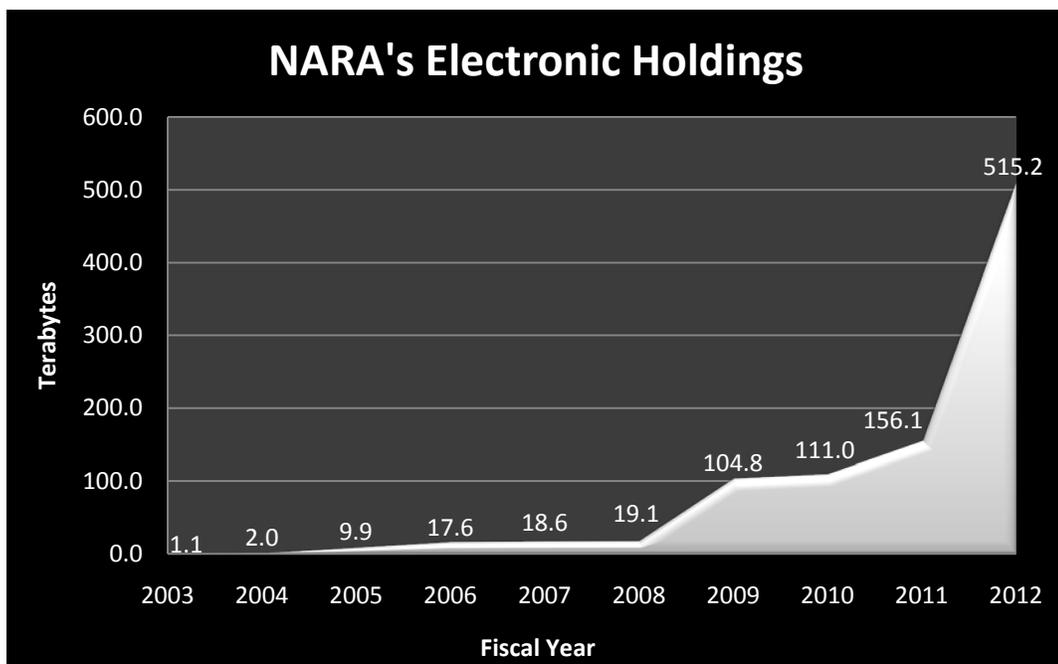
***Strategic Goal 3: Managing Electronic Records***

*Results: We met 2 out of 2 performance measures (1 measure under development).*

<b><i>Goal 3: We will address the challenges of electronic records in Government to ensure success in fulfilling NARA's mission in the digital era.</i></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 2016, 80 percent of archival electronic records are preserved according to plan.							
3.3: By 2016, the per-megabyte cost of managing archival electronic records through Electronic Records Archives (ERA) continues to decrease each year.							
<b>Performance Indicator</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Target</b>	<b>2012 Actual</b>
Percent of archival electronic accessions processed	81	86	88	88	83	85	87
Per megabyte cost of managing electronic records decreases each year	\$0.37	\$0.39	\$0.36	\$0.15	\$0.12	<\$0.12	\$0.03

We must guarantee the continuing accessibility of permanent electronic records of all three branches of our Government despite the fact that the volume, variety, and complexity of records coming to the National Archives is increasing. The goal of our Electronic Records Archives (ERA) is to address this changing environment. We understand that the public expects government information and services to be available online and delivered through their channel of choice. To meet these expectations, our holdings must be preserved, available, and accessible by the public online.

The growth in electronic records continues to accelerate at a dizzying pace. We see large increases in our electronic holdings at the end of Presidential Administrations. In FY 2012, we accessioned the 2010 Census, tripling the volume of holdings we manage. Although the 2010 Census records will not be released for 72 years, we must ensure that these records are available and accessible at that time, regardless of the software and hardware used to create and store those records today.



*Figure 2. Total Electronic Holdings Managed by NARA*

Our Electronic Records Archives (ERA) system, now in an operations and maintenance phase, became mandatory for Federal agency use in scheduling records and transferring permanent records to NARA on October 1, 2012. Throughout FY 2012, we briefed, trained, and surveyed our Federal agency customers to prepare for mandatory use, and will continue these types of support to help agencies become more adept at using the system. We are using customer feedback to improve the user experience.

**Strategic Goal 4: Providing Access to Records**

*Results: We met 7 out of 9 performance measures*

<b>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 measures).							
4.2: By 2016, 1.4 percent of archival holdings are available online (1 measure).							
4.3: By 2016, 95 percent of archival holdings are described in an online catalog (3 measures).							
4.4: By 2012, our web sites score at or above the benchmark for excellence as defined for Federal Government web sites (1 measure).							
<b>Performance Indicator</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Target</b>	<b>2012 Actual</b>
Percent of written requests answered within 10 working days.	95	94	95	93	95	94	97
Percent of items requested in our research rooms furnished within 1 hour of request or scheduled pull time.	86	93	93	96	97	95	98
Percent of Freedom of Information Act requests for Federal records completed within 20 working days.	88	89	86	89	89	89	85
Percent of online archival fixed-fee reproduction orders completed in 20 working days or less	72	68	90	96	96	92	95
Percent of traditional archival holdings available online	–	0.04	0.04	0.6	0.8	1.0	1.2
Percent traditional holdings in an online catalog	56	64	70	70	71	80	81
Percent artifact holdings in an online catalog	57	61	74	78	78	80	88
Percent electronic holdings in an online catalog	99	98	95	96	96	80	87
NARA web sites scores as percent of benchmarked score for other Federal web sites	67	66	69	74	72	75	71

Through a variety of means we work to make the information we manage discoverable by the public as soon as possible. That means the public can at least find a description about our



holdings in an online catalog. It may also mean that records are available online. One indication of the quality and interest in the information we provide is the number of visitors to our web sites—more than 44 million visits in FY 2012. And, as noted earlier, when we released the 1940 Census on April 2, 2012, more than 100 million hits were made to the site over a couple days. By the end of the second week, the site had served more than 126 million images, and completed 2.85 million searches.

Through partnerships and collaborative efforts, we continue to increase the number of digital records available to the public through our online public access portal of NARA’s nationwide holdings. The portal delivers the descriptions of 81 percent of our traditional holdings, representing nearly 3.5 million cubic feet of archival records. To date, we have received more than 90 million digital objects from partners.

We continue to push into new social media venues as ways to make the information we manage discoverable by the public in online places they frequent. Social media tools also

provide ways to communicate and deliver timely information to the public and find out what the public is interested in; we see these efforts as a way to be responsive to the call for open government. In FY 2012, we continued our collaboration with representatives from Wikimedia Foundation and hosted a workshop for Wikimedians active in outreach to cultural institutions in the United States. Our Wikipedian in Residence worked to make NARA information and records discoverable in Wikipedia, a place many people look for answers or start research. Not only did we continue expanding our arsenal of social media and networking tools such as *YouTube*, *FlickrCommons*, *Twitter*, and *Facebook*, blogs, wikis, and *IdeaScale*, but we took on new opportunities, becoming one of the first Federal agencies to develop a presence in *Foursquare* and *Tumblr*. Four of our official tumblogs, including Today's Document, was featured in Tumblr's spotlight section during the year. In late August, a Today's Document, which featured the image of Michael Jackson's antigravity shoe patent, was featured on the Tumblr Radar, and received 3,354 individual notes and reblogs from followers.

The US National Archives Facebook page has more than 26,000 fans and received more than 27 million views across our family of Facebook pages in FY 2012. Our iTunes U channel provides educational resources, including videos, podcasts, lesson plans, and archival documents targeted to students, teachers, and the general public. The channel received more than 200,000 views in FY 2012. Our blogs received 153,000 views in FY 2012. These types of projects create opportunities for citizen engagement and interaction with NARA.

We continued to provide outstanding customer service exceeding our FY 2012 targets in each area. To date, we exceeded our targets for written requests received from customers answered within 10 working days (97 percent); items requested in our research rooms provided within one hour of the request (98 percent); and online orders completed within 20 working days (96 percent). We fell short of meeting our target of Freedom of Information Act (FOIA) requests for Federal records completed within 20 working days (85 percent), due to a larger than usual number of FOIAs against some newly accessioned records.

***Strategic Goal 5: Increasing Civic Literacy***

*Results: We met 2 out of 2 performance measures.*

<b><i>Goal 5. We will increase access to our records in ways that further civic literacy in America through our museum, public outreach, education programs, and grant programs.</i></b>							
5.1: By 2016, 90 percent of NARA's visitors are satisfied with their visit experience. 5.2: By 2016, a minimum of 85 percent of all NHPRC-assisted projects produce the results required, employing rigorous standards and milestones approved by the Commission.							
<b>Performance Indicator</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Target</b>	<b>2012 Actual</b>
Percent of NARA visitors who are satisfied with their visit experience	96	97	97	99	99	87	100
Percent of NHPRC-assisted grants produce the results required	86	81	82	92	84	85	89

The National Archives plays a unique and important role in the promotion of civic literacy. As the nation's recordkeeper, our commitment to safeguarding the documentary record of American history is of paramount importance. Our holdings are so vast and diverse that the value and amount of information available to the public is not always apparent. Therefore,



The one millionth visitor in 2012 is Ari Rosenstein, a 9-year-old 4th grader at the Ethical Culture School in New York. This was the first time he's visited the monuments in DC.

we engage in a number of activities designed to advance understanding of civic literacy.

Our commitment to civic literacy has always extended beyond the walls of our archival facilities to touch the communities across the country.

*DocsTeach*, one of our highly successful open government initiatives, is an education web site designed to provide instruction to teachers in the best practices of

teaching with primary sources. Using documents in our holdings as teachable resources, *DocsTeach* strongly supports our goal to promote civic literacy. This tool provides all teachers with access to primary sources, instruction in best practices, and opportunities to interact with teachers across the nation. In addition, teams of NARA education specialists often participate in national conferences and host sessions to introduce documents to educators that extend beyond school text book information. Throughout the year, and across the nation, we provided genealogy workshops, records-based historical presentations pertinent to local communities, and exhibits and document displays. In FY 2012, we worked with the Foundation of the National Archives and Second Story Interactive to create the *DocsTeach* app for iPad devices. *DocsTeach* was chosen as one of the American Association of School Librarians (AASL) "Best Website for Teaching and Learning in 2012."

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. We work collaboratively to develop new and exciting ways to reach students, teachers, and everyday visitors to the Presidential Timeline web site and individual Presidential Library websites. To reach new audiences and disseminate timely information, Libraries continue to increase their online presence through social media outlets such as *Facebook* and blogs. We continue to educate the public through our exhibits held throughout our Libraries.

In our National Historical Publications and Records Commissions program, we support a wide range of activities to preserve, publish and encourage the use of documentary sources. Our grant program funds projects that promote the preservation and use of America's

documentary heritage. In FY 2012, we exceeded our target with 89 percent of all grants successfully producing the results required. The NHPRC continues to develop the web resource, *Founders Online*, a multi-year undertaking to place online more than 170,000 historical documents from the nation’s Founding Era. When completed in FY 2015, the public will be able to access the full, annotated transcriptions of the papers of John Adams, Benjamin Franklin, Alexander Hamilton, Thomas Jefferson, James Madison, and George Washington. Our principal partner, the University of Virginia, is gathering materials, designing a user-friendly website, and testing it with users. We are working toward a public launch of [www.founders.archives.gov](http://www.founders.archives.gov) in FY 2013.

***Strategic Goal 6: Developing our Infrastructure***

*Results: We met 4 out of 5 performance measures*

<b>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, 60 percent of NARA’s positions are filled within 80 days.							
6.4: By 2016, NARA’s telework rate is 100 percent of the Federal Government average rate.							
6.5: By 2016, public applications are available 99 percent of the time.							
<b>Performance Indicator</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Target</b>	<b>2012 Actual</b>
Percent of NARA positions with competency models	–	–	–	–	–	85	63
Number of underrepresented groups matching targets for respective availability levels in the CLF (out of 7)	2	2	2	2	3	7	2
Percent of NARA’s positions filled within 80 days	–	–	–	12	9	25	27
Percent of NARA’s eligible staff participating in the telework program	–	–	–	16	23	12	32
Percent of public applications availability	99.4	99.5	99.5	99.7	99.5	98.87	99.1

Throughout FY 2012, across the agency staff worked to transform the agency, using a set of six transformation goals as guideposts. Adjustments were made to the complete restructuring of the organization, which took place in FY 2011, and the final selections were made to fill out new roles. NARA’s Strategic Human Capital Plan provides 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 are monitoring performance results and assessing our human capital programs, decisions, and actions. Using results from annual employee viewpoint surveys, we have developed plans to target identified weaknesses.



*A kindergarten class at the Tule Lake Center on the playground. ARC Identifier 539600. Record Group 210: Records of the War Relocation Authority, 1941-1989.*

Volunteers from the Tule Lake Committee ([www.tulelake.org](http://www.tulelake.org)), a non-profit organization dedicated to preserving and sharing the story of the Japanese American experience at Tule Lake internment camp, worked in the research room at the National Archives at San Francisco for several weeks in Fall 2011. Their team created an index to affidavits filed by American citizens of Japanese descent who had renounced their citizenship while under the duress of internment, but later petitioned the government to restore it. These affidavits, which plainly speak about life at Tule Lake, can now be obtained by descendants of internees.

At the conclusion of their project, the Tule Lake Committee invited Marisa Louie of NARA's San Francisco office staff to attend their biennial Tule Lake Pilgrimage, a two-day conference in Klamath Falls, Oregon, near the site of the former internment camp. The theme of this year's Pilgrimage was closely linked to the work the Committee had recently completed at NARA. NARA records were reproduced in the program booklet that was distributed to all attendees. The Pilgrimage is attended by families, community members, and historians – this year, nearly one-third of the attendees had themselves been interned or had been born "in camp."

During the Pilgrimage weekend (June 30-July 3, 2012), Marisa delivered a workshop to more than 60 participants about Japanese American genealogical research. She spoke with numerous other families about how to obtain copies of their own or their ancestors' Evacuee Case Files from the National Archives in Washington, DC. Many participants were glad to hear that they could access their family's records through the Federal government.

Nationwide, NARA's research rooms received more than 120,000 visits last year from people looking for a connection to history each day. More than 40 million visits happen online. About the Tule Lake event, Marisa said, "I was surprised by how many individuals I spoke with who didn't know that they could get copies of their family's internment records...Many families had questions about their ancestors' experiences that had long been unanswered. Having a NARA presence at events like these puts a human face on the government and makes getting started with research much less intimidating."

*Linking Our Budget to Our Objectives*

The chart links the major budget functions to each of our long-term objectives.

NARA Goals and Long-Term Objectives	Leg Arch, Pres Libs, & Mus Servs	Research Services	Agency & Related Services	Facility Operations	NHPRC	Repairs & Restoration	Revolving Fund	Trust Fund
<b>Strategic Goal 1: Our Nation's Record Keeper</b>								
1.1: By 2016, 50 percent of agencies' records management self-assessments received by NARA.			✓					
1.2: By 2016, 90 percent of customers are highly satisfied with NARA records management services.			✓					
1.3: By 2016, records management transactions serviced by the Federal Records Centers Program grow by 6 percent.			✓				✓	
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.	✓							
<b>Strategic Goal 2: Preserve &amp; Process</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 programs earn high scores from 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 13526.	✓		✓					
2.5: By 2016, 100 percent of archival holdings are stored in appropriate space.	✓			✓		✓		
2.6: By 2016, 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>Strategic Goal 3: Electronic Records Challenges</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>Strategic Goal 4: Access</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 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.	✓		✓					

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NARA Goals and Long-Term Objectives	Leg Arch, Pres Libs, & Mus Servs	Research Services	Agency & Related Services	Facility Operations	NHPRC	Repairs & Restoration	Revolving Fund	Trust Fund
<b>Strategic Goal 5: Civic Literacy</b>								
5.1. By 2016, 90 percent of NARA's visitors are satisfied with their visit experience.	✓	✓						✓
5.2. By 2016, a minimum of 85 percent of all NHPRC-assisted projects produce the results required, employing rigorous standards and milestones approved by the Commission.					✓			
<b>Strategic Goal 6: Infrastructure</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, 60 percent of NARA's positions are filled within 80 days.	✓	✓	✓		✓		✓	✓
6.4. By 2016, NARA's telework rate is 100 percent of the Federal Government average rate.	✓	✓	✓		✓		✓	✓
6.5. By 2016, public network applications are available 99 percent of the time.			✓				✓	

## Financial Highlights

The financial statements presented in this report have been prepared from NARA 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 operations are funded through annual, multi-year and no-year appropriations, revenues collected through the Records Center Revolving Fund and the National Archives Trust Fund, and gifts received through the National Archives Gift Fund.

In total, NARA had \$717 million in budgetary resources available in FY 2012, of which approximately 59 percent were appropriations for Archives and Records Management Activities and almost 30 percent were revenues from Revolving Fund Records Center and Storage Services (see Figure 3). Total budgetary resources include current year funding, spending authority from offsetting collections, recoveries of prior year unpaid obligations, and unobligated balances carried forward.

**FY 2012 Total Budgetary Resources by Program  
 (in millions)**

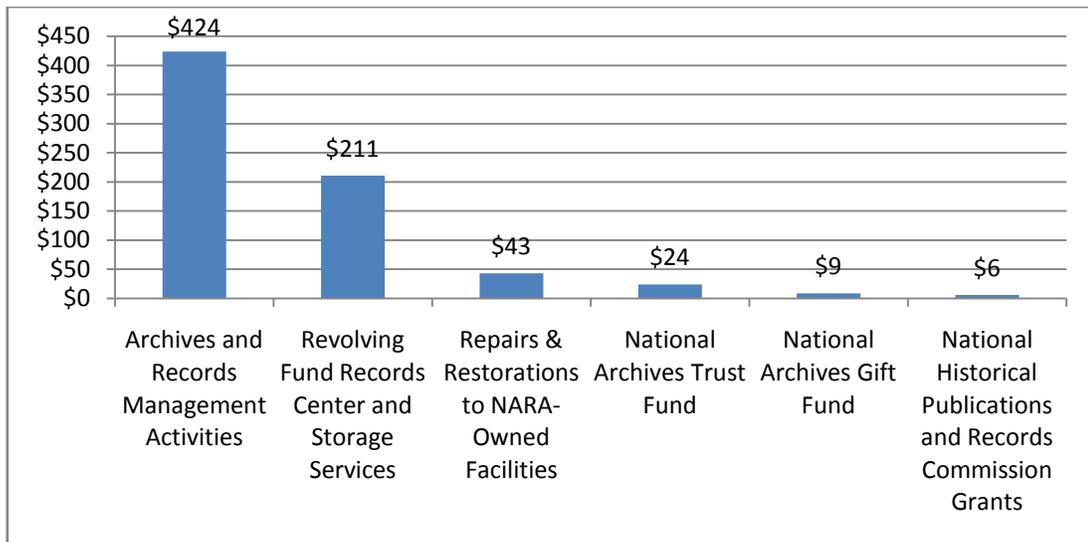


Figure 3. Total Budgetary Resources, FY 2012

*Archives and Records Management Activities*, NARA Operating Expenses appropriation, provides for the costs of records services, archives-related services, and payments of principal and interest for the financing of the National Archives building at College Park. Records services activities include describing, preserving, and making publicly available the historical records of the Federal Government, including Presidential records, and helping other Federal agencies to fulfill their records management responsibilities. Archives-related services provide for the publication of the daily *Federal Register* and the *Code of Federal Regulations*,

and satisfy other statutory requirements. Starting with FY2012, it also covers the Electronic Records Archives (ERA) services and operations of the information system.

*Revolving Fund, Records Center and Storage Services*, generates revenue by storing and servicing temporary Federal records on behalf of other Federal agencies, on a cost-reimbursable basis. The Federal Records Center program stores, references, and ultimately disposes of temporary Federal records for a standard fee. In FY 2012, the Revolving Fund earned revenue of \$176 million, after intra-entity eliminations.

*Repairs and Restoration* appropriation provides for repair and improvements for NARA-owned facilities and Presidential Libraries nationwide.

*National Archives Trust Fund* generates revenues through the sale of publications and reproductions of historical documents, museum shop sales, admissions to Presidential libraries, training events, and interest income (44 U.S.C. 2116). Expenditures support inventory replacement, personnel, information systems, and reproduction equipment and supplies. The National Archives Trust Fund earned revenue of \$19 million in FY 2012.

*National Historical Publications and Records Commission* administers grants to preserve and publish historical records of State and local governments and private institutions.

*National Archives Gift Fund* administers conditional and unconditional gifts and bequests to NARA (44 U.S.C. 2305). Expenditures provide for historical research, archival and cultural events, and other programs which support the archival and records management activities of the National Archives. In FY 2012, the Gift Fund received donations of \$5 million.

### ***Audit Results***

NARA FY 2012 financial statements were audited by Cotton and Company L.L.P under contract to the NARA Office of the Inspector General. NARA received an unqualified audit opinion on its FY 2012 and FY 2011 financial statements with no material weaknesses noted in FY 2012.

### ***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). 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; however, 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.

**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 Section III - Financial Section. An analysis of the principal statements follows.

**Analysis of the Balance Sheet**

**ASSETS:** NARA’s assets were \$658.9 million as of September 30, 2012. The reduction of \$88.4 million from the end of FY 2011 resulted from a decrease in general property, plant and equipment net balance due to a drop-off in capital expenditures in FY 2012, coupled with a year’s worth of accumulated depreciation, and a decrease in the Fund balance with Treasury due to reduced funding in FY 2012. The assets reported in NARA’s balance sheet are summarized in the accompanying table.

Asset Summary (in millions)	FY 2012	FY 2011
Fund balance with Treasury and cash	\$ 217.6	\$ 240.7
General property, plant, and equipment, net	378.0	452.8
Investments	46.1	37.2
Accounts receivable, net	15.5	14.9
Inventory, and Deferred Assets	1.7	1.7
<b>Total assets</b>	<b>\$ 658.9</b>	<b>\$ 747.3</b>

The fund balance with Treasury and cash represents approximately 33 percent of total assets. Property, plant, and equipment constitute 57 percent of total assets, with the National Archives building at College Park representing the greater part of the balance.

**LIABILITIES:** NARA’s liabilities as of September 30, 2012 amounted to \$234.9 million. A decrease of \$23.4 million from the end of FY 2011 is due to the \$15 million annual principal payment on the debt held by the public and a significantly reduced base of expenditures on major projects such as ERA in FY 2012. The liabilities reported in NARA’s balance sheet are summarized in the accompanying table.

Liabilities Summary (in millions)	FY 2012	FY 2011
Debt held by the public	\$ 151.6	\$ 166.9
Accounts payable	47.4	54.9
Federal employees benefits	10.8	10.9
Other	25.1	25.6
<b>Total liabilities</b>	<b>\$ 234.9</b>	<b>\$ 258.3</b>

Debt held by the public accounts for approximately 64 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 building at College Park.

Of the total liabilities, the amount of \$174 million, or 74 percent, is unfunded, i.e., budgetary resources are not yet available as of September 30, 2012. 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 \$151.6 million for debt held by the public, \$11.6 million for actuarial portion of Federal employee benefits, and \$10.8 million for unfunded annual leave.

**NET POSITION:** The difference between total assets and total liabilities represents net position of \$424 million as of September 30, 2012. The net position reported in NARA's balance sheet is summarized in the accompanying table.

<b>Net Position Summary (in millions)</b>	<b>FY 2012</b>	<b>FY 2011</b>
Unexpended appropriations	158.0	\$ 167.5
Cumulative results of operations	266.0	321.5
<b>Total net position</b>	<b>\$ 424.0</b>	<b>\$ 489.0</b>

Net position is affected by changes in its two components – Cumulative Results of Operations and Unexpended Appropriations. Unexpended appropriations amount is the authority granted by Congress that has not been expended. Cumulative results of operations line reflects funding of capital needs of the agency since NARA's inception and net results of the revolving fund operations. The decrease in net position of \$65 million from FY 2011 to FY 2012 comprises the decrease in cumulative results of operations of \$55.5 million and a decrease in unexpended appropriations of \$9.5 million. The overall decrease is due mainly to the decrease in budget authority in FY 2012.

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

The statement of net cost presents the net cost of NARA's five major programs. NARA's net cost of operations for the year ended September 30, 2012, is \$477.2 million. The increase of \$14.7 million in the net cost of operations is due largely to the higher operating costs, such as utilities and rent, increase in construction of the National Archives Experience project at Archives I, and increase in operating expense for ERA information system which transitioned from development (capital expenditures) in FY 2012.

Net costs by program are shown in the table below.

<b>Net Cost of Operations (in millions)</b>	<b>FY 2012</b>	<b>FY 2011</b>
Archives and records management activities *	\$ 437.1	\$ 418.6
Trust and gift funds	(2.2)	(1.6)
National historical publications and records commission grants	9.7	8.4
Archives facilities and presidential libraries repairs and restoration	19.7	25.0
Records center storage and services	12.9	12.1
<b>Net cost of operations</b>	<b>\$ 477.2</b>	<b>462.5</b>

In FY 2012, the Electronic Records Archives program was combined with the Archives and Records Management Activities program (formerly known as Records and Archives Related Services).

*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 2012, NARA had budgetary resources available of \$717 million, a decrease of 2 percent over \$733 million in FY 2011. The majority of the decrease resulted from a decrease in funding in FY 2012.

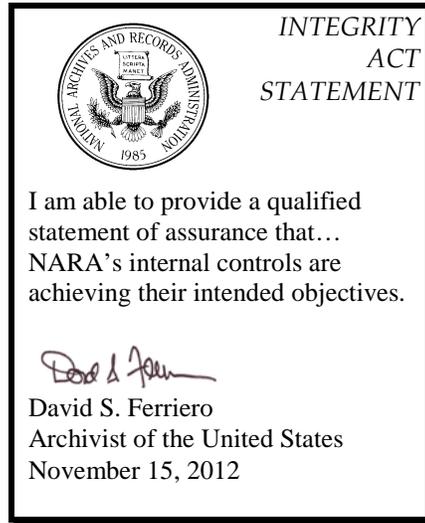
## Systems, Controls, and Legal Compliance

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. (*See appendix for NARA's FY 2012 FMFIA Report.*)



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

NARA's internal controls worked to reasonably ensure the attainment of our mission and FY 2012 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 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
- Executive and management team reviews and briefings
- Internal oversight by a management controls oversight council
- 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 2012 Internal Controls*

NARA evaluated its internal control systems for the fiscal year ending September 30, 2012. This evaluation provided reasonable assurance that, except for four material weaknesses, the agency's internal controls achieved their intended objectives.

Pursuant to Section 2 of the Integrity Act, we did not identify any new material weaknesses in FY 2012. The four material weaknesses remaining at the end of FY 2012 are:

- *Holdings Protection.* Predicated upon the need to improve our security posture and controls over our holdings, this weakness was first identified in FY 2001. NARA has made significant progress in addressing this weakness through the coordinated efforts of our Holdings Protection Team and Security Division, including implementation of exit screening procedures at several facilities. We will continue to take a risk-based approach to expanding our exit screening program, as well as further testing and monitoring controls put in place.
- *Information Security.* In FY 2011 we reassessed our material weakness in information security and, as a result, identified risks posed by the need to improve controls over resolving, responding to, tracking, and closing recommendations in a systematic, consistent, and timely manner. The CIO and his staff have made significant progress, putting in place a process for taking a risk based approach to mitigating IT related risks and developing metrics for monitoring progress. We will continue this risk-based approach to mitigating IT risks, monitor the metrics put in place, and continue to test and monitor the controls put in place.
- *Presidential Libraries Artifact Inventory Controls.* First reported in FY 2008, the major weaknesses were identified as a need to improve our initial and re-inventory processes and cycle times and institute improved controls over our collections management IT system. Since then, most libraries have completed initial inventories and reconciliations and those which have not are on target to meet their scheduled deadline; revised re-inventory procedures have been developed; and a new collections management system has been obtained. We will focus on completing the initial inventory and reconciliation at the remaining libraries; implementing the new collections management system at each library, including ensuring the audit function in the new system is enabled and properly functioning.
- *Archival Records Preservation.* Identified in FY 2007, the weakness was predicated on risk to our ability to maintain and manage our holdings in an appropriate physical state. We have effective programs for treating these endangered records in our conservation and special media labs and for digitizing records in all media. But, our capacity is overwhelmed by the volume of work needed. Therefore, we need renewed attention, new approaches, and possibly more resources directed to identify and then treat the collection/series or the specific items within them that are in imminent danger. Going forward, we will focus on improving a risk-based approach to identifying and treating the highest priority records and developing performance measures that more accurately capture our progress in doing so. We believe that a risk-based approach will aid us in our efforts to make the most effective and efficient use of resources.

During FY 2012, NARA took corrective action and closed two material weaknesses:

- We made significant progress in addressing a *Records Processing* material weakness identified in 2007 when less than 30 percent of NARA's holdings had been fully processed. We closed all recommendations related to the material weakness, doubled the volume of records processed in the Washington, DC, area, tripled the volume of records processed in the regions, raising the percent of our traditional Federal holdings processed to more than 60 percent. We have completed studies and re-engineering efforts to better understand our processing environment, controls, and challenges. These efforts help us to continuously improve our process, making the most effective and efficient use of our existing resources to provide access to our customers. As a result of these accomplishments, NARA's Management Controls Oversight Council (MCOC) voted to downgrade records processing from a material weakness to a reportable condition in FY 2013. The MCOC will continue its close monitoring and tracking of this condition in accordance with OMB A-123.
- Material weakness in financial reporting related to the *review of manual journal entries*, noted in the FY 2011 report, was resolved and appears as closed in the FY 2012 audit report, as well as the FMFIA statement of assurance.

Details on the four material weaknesses are found in our Federal Managers' Financial Integrity Act Report located in the Other Accompanying Information section of this report.

### ***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 15, 2012.

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

As an Accountability for Tax Dollars Act (ATDA) agency, NARA is not subject to the requirements of FFMIA, per OMB bulletin #07-04, *Audit Requirements for Federal Financial Statements*, and as such is not required to report separately on its compliance with FFMIA in its FMFIA reports.

### ***Debt Management***

The Bureau of Public Debt (BPD) and the US Department of the Interior's Interior Business Center assist NARA with the management of employee debts. NARA contracts with Interior Business Center for payroll services. Under this cross-servicing agreement, Interior Business Center 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, NARA actively pursues delinquent non-Federal claims, and upon request by NARA, BPD transmits delinquent claims to the US Department of the Treasury Financial Management Service (FMS) for collection cross-servicing.

### ***Improper Payments Management***

To comply with Improper Payments Elimination and Recovery Act of 2010 (IPERA), NARA completed a full program inventory and performed the risk assessment required by FY 2011 OMB Circular A-123, APPENDIX C - Improper Payments Information Act of 2002 (IPIA), as amended by IPERA, for submission to OMB. NARA did not identify any programs or activities that may be susceptible to significant improper payments and has determined that payment recapture audits would not be cost-effective at this time.

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

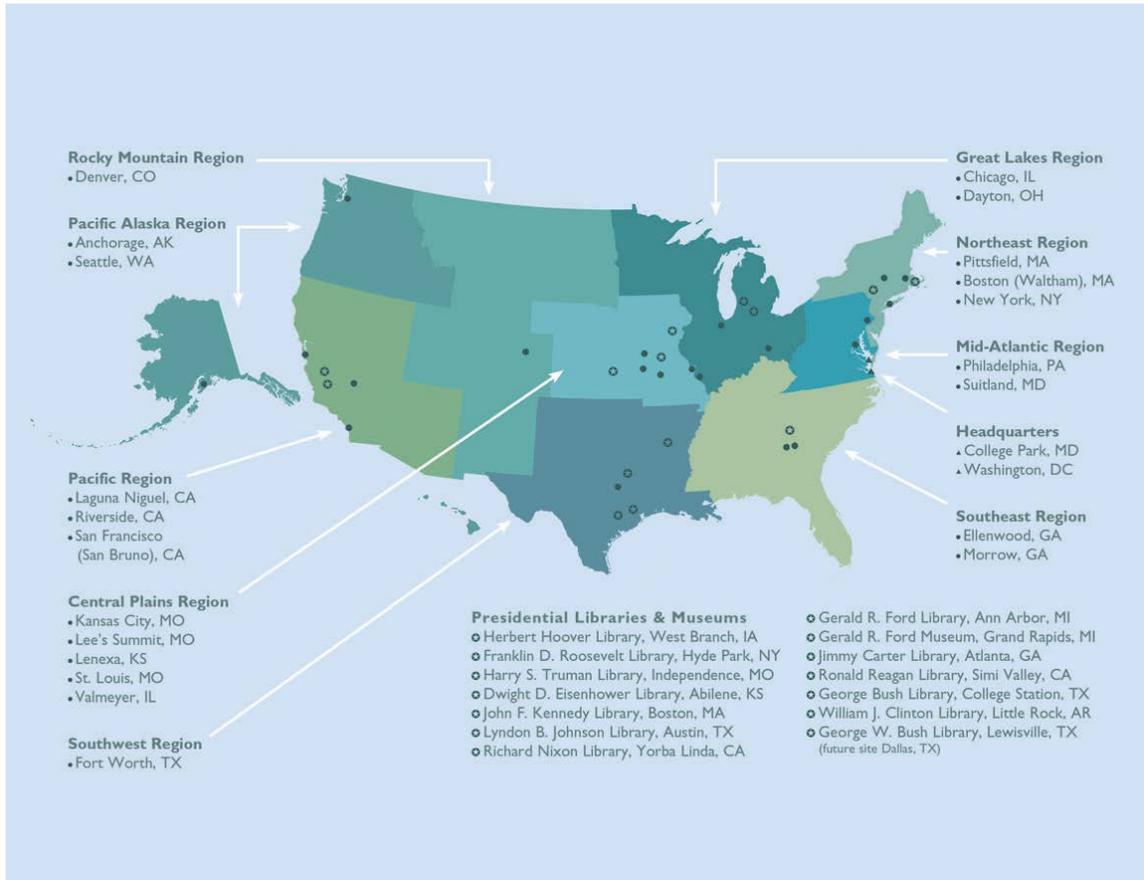
As our financial service provider, the Bureau of the Public Debt processes payments for NARA in accordance with the Prompt Payment Act and submits quarterly prompt pay statistics on our behalf.

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

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.

## NARA Facilities Span the Country

The National Archives and Records Administration administers a nationwide network of facilities, serving both the public and Federal agencies.



### National Personnel Records Center

Scott Levins, *Director*

National Personnel Records Center (Military and Civilian Records)

1 Archives Drive  
St. Louis, MO 63138  
314-801-0800

National Personnel Records Center (Civilian Records)  
1411 Boulder Boulevard  
Valmeyer, IL 62295  
618-935-3062

### National Archives at St. Louis

1 Archives Drive  
St. Louis, MO 63138  
314-801-0800

### Office of the Federal Register

Suite 700  
800 North Capitol Street, NW  
Washington, DC 20001  
202-741-6000

### National Archives at Anchorage

654 West Third Avenue  
Anchorage, AK 99501  
907-261-7800

### National Archives at Atlanta

5780 Jonesboro Road  
Morrow, GA 30260  
770-968-2100

### National Archives at Boston

380 Trapelo Road  
Waltham, MA 02452  
781-663-0130

### National Archives at Chicago

7358 South Pulaski Road  
Chicago, IL 60629  
773-948-9001

**National Archives and Records Administration**  
Performance and Accountability Report, FY 2012

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

**Denver Federal Records Center**  
Denver Federal Center,  
Building 48  
P.O. Box 25307  
Denver, CO 80225  
303-407-5700

**National Archives at Denver**  
*Archival Research Room*  
17107 Huron Street  
Broomfield, CO 80023  
303-604-4740

*Genealogy Research Room*  
17107 Huron Street  
Broomfield, CO 80023  
303-604-4740

**National Archives at Fort Worth**  
*Archival Research Room*  
1400 John Burgess Drive  
Fort Worth, TX 76140  
817-551-2000

*Microfilm Research Room*  
2600 West 7th Street, Suite 162  
Fort Worth, TX, 76107  
817-831-5620

**National Archives at Kansas City**  
400 West Pershing Road  
Kansas City, MO 64108  
816-268-8000

**National Archives at New York**  
201 Varick Street, 12th Floor  
New York, NY 10014  
212-401-1620

*New as of December 3, 2012:*  
1 Bowling Green, 3<sup>rd</sup> floor  
New York, NY 10004  
212-401-1620

**National Archives at Philadelphia**  
900 Market Street  
Philadelphia, PA 19107  
215-606-0100

**National Archives at Riverside**  
23123 Cajalco Road  
Perris, CA 92570  
951-956-2000

**National Archives at San Francisco**  
1000 Commodore Drive  
San Bruno, CA 94066  
650-238-3500

**National Archives at Seattle**  
6125 Sand Point Way NE  
Seattle, WA 98115  
206-336-5115

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

**Atlanta Federal Records Center**  
4712 Southpark Boulevard  
Ellenwood, GA 30294  
404-736-2820

**Boston Federal Records Center**  
380 Trapelo Road  
Waltham, MA 02452  
781-663-0130

**Chicago Federal Records Center**  
7358 South Pulaski Road  
Chicago, IL 60629  
773-948-9001

**Dayton Federal Records Center**  
3150 Springboro Road  
Dayton, OH 45439  
937-425-0600

**Fort Worth Federal Records Center**  
1400 John Burgess Drive  
Fort Worth, TX 76140  
817-551-2000

**Kansas City Federal Records Center**  
400 West Pershing Road  
Kansas City, MO 64108  
816-268-8000

**Kingsridge Federal Records Center**  
8801 Kingsridge Drive  
Dayton, OH 45458  
937-425-0601

**Lee's Summit Federal Records Center**  
200 Space Center Drive  
Lee's Summit, MO 64064  
816-268-8100

**Lenexa Federal Records Center**  
17501 West 98th Street, Suites  
3150 & 4748  
Lenexa, KS 66219  
913-563-7600

**Philadelphia Federal Records Center**  
14700 Townsend Road  
Philadelphia, PA 19154  
215-305-2000

**Pittsfield Federal Records Center**  
10 Conte Drive  
Pittsfield, MA 01201  
413-236-3600

**Riverside Federal Records Center**  
23123 Cajalco Road  
Perris, CA 92570  
951-956-2000

**San Bruno Federal Records Center**  
1000 Commodore Drive  
San Bruno, CA 94066  
650-238-3500

**Seattle Federal Records Center**  
6125 Sand Point Way NE  
Seattle, WA 98115  
206-336-5128

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

**National Archives and Records Administration**  
Performance and Accountability Report, FY 2012

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

**Franklin D. Roosevelt Library**  
Lynn A. Bassanese, *Acting 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 Updegrove, *Director*  
2313 Red River Street  
Austin, TX 78705  
512-721-0200

**Richard Nixon Presidential Library and Museum**  
Paul Wormser, *Acting Director*

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

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

**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

\*The Library is temporarily located in Lewisville, Texas. The permanent Presidential Center, including the archives and museum, will be located on the campus of Southern Methodist University in Dallas, Texas.

## Copies of This Report

Our 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. We welcome your comments on how we can improve this report for FY 2013. Please e-mail any comments to [performance@nara.gov](mailto:performance@nara.gov).

## Other Web Pages of Interest

<b>Reports, Strategic Documents, Messages from the Archivist:</b> Find the latest information regarding our mission, vision, and strategic initiatives.	<a href="http://www.archives.gov/about/">www.archives.gov/about/</a>
<b>Web 2.0 and Social Media:</b> Interact with NARA staff and visitors on Facebook, YouTube, Twitter, Flickr, NARA blogs, and more.	<a href="http://www.archives.gov/social-media/">www.archives.gov/social-media/</a>
<b>Open Government and NARA:</b> Learn how NARA is becoming more transparent, collaborative, and participative. Find high value datasets in XML for free download.	<a href="http://www.archives.gov/open/">www.archives.gov/open/</a>
<b>The National Archives Experience:</b> Participate in an interactive, educational experience about the power of records in a democracy and visit our award-winning site for teachers	<a href="http://www.archives.gov/national-archives-experience/">www.archives.gov/national-archives-experience/</a> <a href="http://www.docsteach.org">www.docsteach.org</a>
<b>Archival Holdings:</b> Find records of interest in Washington, DC, the regional archives, and Presidential libraries, including the 1940 Census.	<a href="http://www.archives.gov/research/search/">www.archives.gov/research/search/</a> <a href="http://www.1940census.archives.gov/">www.1940census.archives.gov/</a>
<b>Presidential Libraries:</b> Explore the history of our nation through the leaders who helped shape the world, including the new George W. Bush site.	<a href="http://www.archives.gov/presidential-libraries/">www.archives.gov/presidential-libraries/</a> <a href="http://www.georgewbushlibrary.smu.edu/">www.georgewbushlibrary.smu.edu/</a>
<b>Public Documents:</b> 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.	<a href="http://www.federalregister.gov">www.federalregister.gov</a> <a href="http://www.ofr.gov">www.ofr.gov</a> <a href="http://www.fdsys.gov">www.fdsys.gov</a> <a href="http://www.archives.gov/federal-register/">www.archives.gov/federal-register/</a> <a href="http://www.ecfr.gpoaccess.gov">www.ecfr.gpoaccess.gov</a>
<b>Careers at NARA:</b> Review current job openings and learn how to apply.	<a href="http://www.archives.gov/careers/">www.archives.gov/careers/</a>
<b>Visit NARA:</b> Learn how to prepare for a research visit, about facility hours and locations, and more.	<a href="http://www.archives.gov/research/">www.archives.gov/research/</a>
<b>Shop NARA:</b> Shop online for books and gifts at our e-store.	<a href="http://www.archives.gov/shop/">www.archives.gov/shop/</a>
<b>Prologue Magazine:</b> Keep up to date on NARA activities through its quarterly journal. View selected articles and subscribe online.	<a href="http://www.archives.gov/publications/prologue/">www.archives.gov/publications/prologue/</a>

## 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 2009 Strategic Plan and the annual objectives in our FY 2012 Performance Budget. The following pages detail our performance on our FY 2012 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.

Throughout much of FY 2011 and FY 2012, NARA underwent a significant organizational transformation. We realigned ourselves to establish a greater focus on our customers and improve the way we interact and deliver services to our customers. We centralized our functions and services to leverage efficiencies and present "One NARA" whether staff are located at NARA headquarters in the Washington, DC area, or in our Presidential Libraries or regional facilities around the country. All references to NARA organizations in the FY 2012 PAR will reflect the transformed organizational structure.

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, addressing our strategic performance using a balanced 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 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.

## FY 2012 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 2016, 50 percent of agencies achieve passing scores for compliance with Federal records management policy.
- 1.2 By 2012, 90 percent of customers are highly satisfied with NARA records management services.
- 1.3 By 2016, records management transactions serviced by the Federal Records Centers Program grow by 6 percent.
- 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.

#### 1.1 FEDERAL RECORDS MANAGEMENT

#### **FY 2012 Objectives**

- Agency self-assessment responses meet or exceed 89 percent (the response rate in FY 2011).
- 10 percent of agencies achieve a passing score for compliance in targeted areas of Federal records management.
- Conduct two records management inspections based on evaluation of agency self-assessment results.

#### **Results**

- ✓ Eighty-five percent of agencies conducted a self-assessment, falling short of last year's participation percent.
- ✓ We will publish the results of the records management self-assessment in early 2013.
- ✓ We completed records management inspections at the National Geospatial Agency (NGA) and at NASA.

*Discussion* Since GAO's FY 2008 report entitled "Federal Records—National Archives and Selected Agencies Need to Strengthen E-Mail Management," where GAO recommended that NARA exercise its statutory authority and implement oversight mechanisms to ensure that

Federal records are not lost or destroyed, we implemented a practice whereby agencies conduct annual self-assessments of their records management programs. The Records Management Self Assessment (RMSA) is a survey tool that we use to understand agencies rate of compliance with statutory and regulatory records management requirements. Using the RMSA, we assess the level of risks to agencies' records management programs and we identify and make recommendations for areas of records management improvement. In addition, the tool serves as one of the criteria for deciding which agency or records management program to inspect.

Despite several steps to improve the response rate this year (e.g. telephone calls, Records Express Blog, reminders, etc), we reached an 85 percent participation rate – four percentage points lower than last year. The majority of agencies that did not respond were the small and micro agencies who scored poorly in previous assessments or those who have never responded to the RMSA. The one-size fits all approach to the RMSA makes it difficult for small and micro agencies to score well. Consistently low scores with little chance to improve may be the reason agencies in this category chose not to respond. We will potentially remove the agencies from the list assessed or develop another method to address small and micro agencies. Other non-responders included those agencies that did not have a records officer at the time the RMSA was administered. Agencies have asked us to consider providing partial credit for “in progress” activities when we review and score the RMSAs.

The RMSA is often viewed as a way to increase visibility of records management within agencies. The RMSA is a valuable tool for many Federal agencies to collect in one place information about their records management programs and receive feedback they can use to improve their programs. They use the RMSA to measure progress and institute plans to improve performance. More recently, agencies' senior agency officials used data from prior year RMSA's to respond to the Presidential Memorandum entitled *Managing Government Records*.

As part of NARA's transformation, we established a Records Management Oversight office in part, to improve oversight and inspection capabilities. To potentially increase the number of inspections, this office has begun to strategically identify and consider streamlined approaches to select agencies for inspection and more efficiently conduct inspections. We are developing tools for evaluations that can be completed faster than the formal inspections and expand the breadth of our oversight activities. To date, however, NARA has used the results from the annual RMSA as a tool to select agencies for inspection.

NARA conducted two inspections this year as part of our oversight activities. We continued with an effort started in FY 2011 at the National Geospatial-Intelligence Agency (NGA) where we focused on hard copy records. This year, we examined their electronic records. We inspected three NGA locations in FY 2012 and a final site visit is scheduled for early FY 2013. Although we completed the inspection, scheduling issues within NGA delayed NARA's site visits and pushed the completion of the draft inspection report to October 2012. The final report and plan of corrective action will be completed in FY 2013 as well.

We directed our second inspection on the National Aeronautics and Space Administration (NASA) and their management of records for the shutdown of the Space Shuttle program. The NASA inspection report draft was completed and sent to them for comments. NASA returned the report and the final report and plan of corrective action will be completed in FY 2013.

<b>Performance Data</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<i>Performance target for percent of agencies achieving a passing score for compliance with Federal records management policy.</i>	–	<i>Establish baseline</i>	15	10
Percent of agencies that achieve passing scores for compliance with	22	6	10	TBD

Federal records management policy.				
<i>Performance target for percent of agencies who submit records management self-assessments to NARA.</i>	50	50	93	89
Percent of agencies records management self-assessments submitted to NARA.	91	93	89	85
Number of agencies polled in self-assessment.	242	271	277	281
Number of agencies responding to self-assessment survey.	220	251	247	240

*FY 2013 Performance Plan Evaluation* We will work on plans to improve selection criteria for inspection target selections and streamline the inspection process. We will examine compliance challenges that may have solutions impacting several agencies. We will continue to conduct records management inspections and investigate analytical tools and approaches to evaluate the effectiveness of records management programs. We will partner with Senior Agency Officials to implement the Presidential Memorandum, *Managing Government Records*, and improve records management in the Federal Government.

1.2 NARA RECORDS MANAGEMENT SERVICES

**FY 2012 Objectives**

- Increase by 25 percent the number of distance learning course offerings over last year.
- Ninety percent of Federal agency customers are highly satisfied with NARA records management services.
- Reduce by five percent the backlog of open schedules registered prior to FY 2010.

**Results**

- ✓ We held more than more than 40 distance learning course offerings in records management equating to an increase in course offerings of 156 percent.
- ✓ We measured agency customer satisfaction through two tools: the 2012 customer satisfaction survey and the ERA user adoption survey.
- ✓ We reduced the backlog of schedules opened since FY 2010 by more than 50 percent.

*Discussion* We continue to look for ways to improve the records management services that we provide. 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 the permanent records of the Federal Government are preserved and made available to the public

NARA’s Records Management Training Program provides a curriculum designed to increase the knowledge and skills of Federal records management staff and contractors to help them fulfill their records management duties. Currently, more than 90 percent of our content delivery takes place in a classroom. Time, travel and budget restrictions often impede face-to-face participation, making online training an effective alternative. However, because our classes are taught by NARA staff that have other full time responsibilities, we are often challenged with securing the

necessary resources to teach the online classes. We dramatically exceeded our target this year by shifting our priorities to focus on increasing online course offerings. We offered webinars earlier in the year, devoted more staff to online delivery, and dedicated staff to create a free webinar series. Despite the substantial increase, our customers underscore their need for more online offerings. As we continue to enhance our program, we will develop a strategy to broaden the subjects covered by online materials and diversify our delivery methods.

This year we surveyed our agency customers in two specific areas using two separate surveys: 1) agency satisfaction with the ERA user adoption effort; and 2) the timeliness and quality of service provided by NARA's appraisal staff to work on the development and approval of records schedules. The measures focused on agency customer's satisfaction with the ERA system, web site, help desk and related services, and other records management services related to appraisal and scheduling.

The customer survey results provided interesting feedback on the scheduling and appraisal process. Customers were very satisfied with the attention received from NARA appraisal staff (77-81 percent), however, their response to overall satisfaction with NARA appraisal and scheduling services indicated that only 60 percent were satisfied to highly satisfied. We found it a challenge to account for the discrepancy between satisfaction with NARA customer service and overall satisfaction. We will need to further investigate the reasons for lower ratings in overall satisfaction.

Feedback from the ERA user adoption survey covered various elements within ERA such as a packaging tool and online training modules. Again, only 56 percent of the users expressed overall satisfaction; 20 percent were neutral; and 24 percent were dissatisfied. ERA's mandatory usage requirement may have influenced the negative scores. We were pleased to note that help desk assistance and customer support scored 80 percent and higher. If we generalize the results to all records management services, then the two surveys suggest that agency respondents generally have positive feelings toward NARA personnel.

Some factors that may impact the scores include the number of people per agency who took the survey (e.g. one person may have responded for an entire agency, while at another agency 40 people may have responded); each survey was focused on a specific topic so generalizing scores to represent all of NARA's records management services is difficult. Lastly, the two surveys use different Likert scale measures for responses, which made cross comparison difficult.

This was our first year to combine the results of these two different surveys and we will look at ways to improve our score in FY 2013. Given that the feedback appears to address our processes, we will look at ways to improve our processes.

With uncertainty surrounding the resources available to reduce our backlog of schedules more than two years old, we set a conservative target of 5 percent. We worked on decreasing the backlog throughout the fiscal year; however, in the third quarter we conducted a 60-day focused effort on the backlog and gained momentum in closing backlog and non-backlog pending schedules. This activity helped bolster relations with our customers as we partnered with them to address difficult schedules. Using dedicated team members to tackle this issue we were able to reduce by 65 percent.

Performance Data	2007	2008	2009	2010	2011	2012
<i>Performance target for number of records schedules submitted using ERA.</i>	–	–	–	–	<i>Establish baseline</i>	–
Number of records schedules submitted using ERA.	–	–	–	–	64	136
<i>Performance target for percent of Federal agency customers highly satisfied with NARA records management services.</i>	10	–	10	–	–	90
Percent of Federal agency customers that are satisfied with NARA records management services.	81	–	81	–	–	TBD
Percent of records management training participants taking a NARA records management course for the first time.	43	39	63	36	32	26
Number of records management training participants who are taking a NARA records management course for the first time.	2,162	2,524	7,625	2,619	1,913	990
Number of Federal agency staff receiving NARA training in records management and electronic records management.	5,047	6,422	12,114	7,233	5,971	3,772
Number of records management training participants that NARA certified this year.	269	310	242	282	338	347
<i>Performance target for the percent increase in the number of distance learning course offerings.</i>	–	–	–	5	5	25
Percent increase in the number of distance learning course offerings.	–	–	–	133	-43	156
<i>Performance target for the percent decrease in the backlog of open schedules registered prior to FY 2010.</i>	–	–	–	–	–	5
Median time for records schedule items completed (in calendar days).	283	291	307	285	709	672
Average age of schedule items completed (in calendar days).	451	443	416	438	907	860
Number of schedule items completed.	2,992	3,148	3,248	3,670	5,058	3,498
Number of open schedules in the backlog.	370	507	962	884	723	531

*FY 2013 Performance Plan Evaluation* We will convert content from our (Knowledge Area 6) records management face-to-face class to online delivery. We will continue work to adapt existing courses to online delivery and assist Federal staff with the tools they need to fulfill their records management responsibilities. We will continue to process requests for disposition authorities with a focus on schedules that have been open for two or more fiscal years.

### 1.3 FEDERAL RECORDS CENTERS PROGRAM

#### **FY 2012 Objectives**

- Make ready 98 percent of Federal agency reference requests within the promised time.
- Answer 85 percent of written requests to the National Personnel Records Center (NPRC) within 10 working days.
- Achieve 88 percent customer satisfaction at NPRC.
- Implement Increment 5 of ARCIS at Federal Records Centers.

- Records management transactions in the Federal Records Centers Program (FRCP) grow by 1 percentage point.
- Answer 85 percent of requests for military personnel records in 10 working days or less.

**Results**

- "I am pleased with the timeliness of requests!"*  We delivered 95 percent of Federal agency reference requests within 24 business hours from receipt of the request.
- We answered 74 percent of written requests to the National Personnel Records Center from former military and civilian employees and various Federal, state, and local government agencies.
- "I am very happy and appreciative of the great work of NPRC staff."*  More than 90 percent of our customers are satisfied with NPRC services.
- "ARCIS cuts down on the approval process time!"*  Key registry modules of the ARCIS system (civilian personnel, medical, and military personnel) as well as the customer portal were deployed.
- Services provided in our FRCP's for records management consulting, electronic records, and physical records grew by 1.14 percentage point.
- We answered slightly more than 73 percent of requests for military personnel records in 10 working days or less.

*Discussion* The Federal Records Centers Program (FRCP) safeguards and protects the nation's records, and plays a vital role in the lifecycle of Federal records. The program provides a host of records management services to assist Federal agency customers with their non-current paper and electronic records. As the nature of the business shifts from traditionally paper records to electronic records, the services we provide must address the changing needs of our customers. Growth of our business is a key indicator that we are successfully responding to customers' needs. Services that we provide include reference requests, shipping and handling of records, records storage, photocopying, digital imaging, and records disposal, to name a few.

We met our published customer service standard of 95 percent to respond to written requests to the National Personnel Records Center within 10 working days, but we fell 3 percentage points below our FY 2012 target. The standard for fulfilling reference requests is 24 business hours from receipt of the request. Impacts to our timeliness include the receipt of reference requests with incomplete information and requests that do not require 24 hour turnaround service. In the second quarter we began a process to review the performance data monthly which resulted in early problem identification and timely implementation of corrective action. Since then, several of our Federal records centers have shown improvements in their performance.

NARA's transformation resulted in the creation of a Customer Relationship Management (CRM) team that operates out of our Agency Services office. The CRM, responsible for marketing, sales,

and customer support activities that strengthen individual relationships with customers, began operating in December 2011. Collaboration between CRM and NARA's Business Development team resulted in growth in our Federal Records Center Program services by 1.15 percentage points. New services include small scanning projects, Fast Pack projects (i.e. FRCP services to help prepare SF 135s, pack boxes, prepare boxed file inventories, pack shipments, and provide transportation to the records centers), and records management consulting services for a number of agencies.

Our Military Personnel Records (MPR) operation accounts for roughly 90 percent of the total data volume for written requests to the National Personnel Record Center. This equates to nearly one million annual requests from veterans; Federal, state, and local government agencies; and the public for information from many of the 56 million official military personnel files and other related collections. Many of our customers' inquiries are to obtain veterans' rights and benefits, including health care, home loan guarantees, education, employment, and burial benefits.

The MPR's correspondence function is heavily dependent upon the availability and stability of our Case Management and Reporting System (CMRS). We began upgrades to the legacy CMRS in June 2012 and technical difficulties during the upgrade resulted in the loss of eight days of production—leading to development of a 40,000 case backlog. With the most critical problems associated with the upgrade behind us, we will work to eliminate the backlog. The upgrade will improve responsiveness and reliability of the CMRS.

Process changes may provide the most significant performance improvement; however, the changes may negatively impact customers. When our customers request separation documents, typically for the pursuit of an entitlement, we move the request to the front of the queue because of their urgency to the customer. Changing to a strict first-in-first-out queue discipline, may result in performance improvement in terms of timeliness, however, complaints may increase because some of the more urgent requests may not be serviced as quickly as they are today.

Bi-annually, we survey our customers to gather feedback on the nature of customers' requests; their level of satisfaction with the current reference process; and how timeliness, quality and accessibility influence overall customer satisfaction. The data is used to identify areas for improvement, develop strategies for making these improvements, and evaluate the effectiveness of initiatives as they are implemented. We achieved a 90 percent customer satisfaction rate for the first half of FY 2012; exceeding our annual target for this measure. The second survey was completed September 30<sup>th</sup> and the results will not be available until early FY 2013.

NARA's Archives and Records Center Information System (ARCIS), a web-based system for all FRCP business transactions, is designed to electronically manage records storage and improve the efficiency of storage processes in Federal records centers. ARCIS supports streamlined business processes and at full implementation will allow customers to receive real-time, web-enabled access to their holdings and transaction information. This year we completed development of a customer portal training database that allows our students to follow a set of pre-defined exercises to become more familiar with how to use ARCIS. For agencies that want to train their employees, we provide the database to them for a week at a time to support their in-house training efforts. The training database is also used for our instructor led training.

We also deployed the Civilian Personnel Registry (CPR) and the Medical Registry System (MRS) as well as a business intelligence tool that provides our FRCP managers with personalized dashboards and reports tailored to their specific needs. Our experience has taught us that

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successful deployments meet customer expectations when we release our applications early and often so customers can see and work with the product while it is being developed. In addition to using the training database to handle deployment challenges, we aggressively monitored the status of agencies as they entered the deployment stream and we used staff from our Customer Relationship Management team to assist with customer communication.

<b>Performance Data</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<i>Performance target for percentage point growth in records management transactions in the Federal Records Centers Program.</i>	–	–	–	1	1	1
Percentage point growth in the number of records management transactions serviced by the Federal Records Centers Program.	–	–	–	2.3	1.6	1.1
<i>Performance target for percent of customers satisfied with NPRC services.</i>	–	–	<i>Establish baseline</i>	88	88	88
Percent of customers satisfied with NPRC services.	–	–	85	86	92	90
<i>Performance target for percent of Federal agency reference requests ready within the promised time.</i>	95	96	97	97	98	98
Percent of Federal agency reference requests ready within the promised time.	90	93	94	97	95	95
<i>Performance target for percent of written requests to the National Personnel Records Center answered within 10 working days.</i>	75	75	80	80	80	85
Percent of written requests to the NPRC answered within 10 working days.	67	74	69	69	75	74
Number of written requests to the NPRC answered (in thousands).	1,137	1,150	1,221	1,320	1,094	974
Number of written requests to the NPRC answered within 10 working days (in thousands).	740	854	845	908	846	717
Number of written requests for civilian records to the NPRC answered within 10 working days (in thousands).	174	167	94	76	25	29
Number of written requests for military records to the NPRC answered within 10 working days (in thousands).	566	687	751	833	821	688
<i>High Priority Measure: Performance target for percent of requests for military personnel records answered in 10 working days or less (target 85% by 2012).</i>	–	–	–	85	85	85
Percent of requests for military personnel records answered in 10 working days or less.	59	72	70	70	77	73
Percent of requests for military service separation records at the NPRC answered within 10 working days.	90	95	95	94	93	92
Number of military service separation records (DD-214) requests answered (in thousands).	426	483	546	524	445	429
Average price per request for military service separation records.	\$29.70	\$30.10	\$31.70	\$31.70	\$33.00	\$33.00

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

*FY 2013 Performance Plan Evaluation* We will take a holistic approach to solving agencies' records management issues. We will implement Customer Relationship Management (CRM) software to help implement an effective CRM program that captures marketing leads and tracks business transactions.

1.4 PRESIDENTIAL TRANSITIONS

**FY 2012 Objectives**

References LRPT 2.2

*Discussion* On January 20, 2009, NARA became the legal custodian of the records and artifacts documenting the Presidential Administration of George W. Bush. The work to process and store these records is tracked under Goal 2. The work of this objective focuses on the planning that occurs before and during a Presidential transition.

## 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 13526.
- 2.5 By 2016, 100 percent of archival holdings are stored in appropriate space.
- 2.6 By 2014, 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.

### 2.1 ACCESSIONING RECORDS FY 2012 Objectives

- Identify and schedule 10 percent more Federal agency electronic records series or systems than were scheduled in FY 2011.
- 30 percent of targeted archival records transfers arrive at NARA on time.

### Results

- ✓ We completed 37 percent of the 1,135 electronic records schedules planned for FY 2012.
- ✓ Thirty-seven percent of targeted electronic archival records arrived at NARA on time.

*Discussion* The scheduling of Federal agency electronic records ensures that the permanent electronic records that protect citizens' rights, demonstrate Federal Government accountability, or document the history of our nation will transfer to NARA on a regular basis and in an acceptable format for storage and access in the Electronic Records Archives (ERA). Scheduling also ensures that records not deemed permanently valuable are retained until no longer needed. Appraisal staff responsible for scheduling records were reassigned during the second quarter to

assist with eliminating our backlog of records schedules two years old or older. Appraisal staff participated in a 60-day effort to address a backlog of 205 schedules. While resources were revamped to concentrate on reducing the scheduling backlog of primarily traditional records, very few records schedules for electronic records were scheduled.

An Executive Memorandum issued this year, *Managing Government Records*, marks the start of an executive branch-wide effort to reform records management policies and practices. In the memorandum, the President recognizes NARA as a leader in records management and reiterates that records management is the backbone of open government. We must develop a 21<sup>st</sup> century framework to manage Government records. Modernizing our approach by examining ways to streamline the processing and approval of records schedules is one of the tactics we will consider as we move forward to advance the requirements in the memorandum.

Agencies are required to transfer permanent records to NARA as expected under approved schedules. Without the proper identification, schedule, disposition, and transfer of these important records to the National Archives, the Federal Government is subject to increased risks of losing important information protecting citizens' rights, demonstrating Federal Government accountability, or recording our nation's history. In FY 2012, thirty-seven percent of the targeted electronic archival records arrived on time at NARA. In prior years we targeted CFO Act agencies. We found that our pursuit of records often resulted in receipt of more than our target, but because we restricted our target to CFO Act agencies, we were unable to account for all agency transfers in the performance results. We expanded the target to include all Federal agencies.

Agencies are encouraged to follow their transfer instructions for schedules with permanent electronic records items and we assist in the transfer process as necessary. We push agency use of ERA for the transfer process, however, because many agencies are new to ERA, and because of limitations within ERA, the rate of total transfers in FY 2012 is down from that in FY 2011. Prioritized corrective and adaptive maintenance tasks to address required changes needed for ERA to operate more efficiently will be monitored. However, now that ERA is mandatory for all agencies, we expect increased agency usage of ERA to process transfer requests. We recognize that increased communication between NARA and agencies enhanced the likelihood that agencies transferred records. We are working on a process that we expect to complete in FY 2013 where we can measure the transfer of our traditional records existing at NARA to identify our universe of records available for transfer to NARA's permanent custody.

<b>Performance Data</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<i>Performance target for percent of high value archival records transferred to NARA at the scheduled time.</i>	–	–	20	30	40	30
Percent of targeted traditional archival records transferred to NARA at the scheduled time.	–	–	6	24	19	TBD
Percent of targeted electronic archival records transfers arriving at NARA on time.	–	40	44	35	26	37
<i>Performance target for percent increase in number of Federal agency electronic records series or systems scheduled than prior year.</i>	10	10	10	10	10	10

Percent increase in number of Federal agency electronic records series or systems scheduled than prior year.	33	31	60	3	26	-60
Number of Federal agency electronic records series or systems scheduled.	423	496	794	820	1,031	418

*FY 2013 Performance Plan Evaluation* We will work with agencies to implement the goals outlined in the *Managing Government Records Directive* which identifies strategies to reform records management policies and practices.

## 2.2 PROCESSING RECORDS

### FY 2012 Objectives

- ☑ Process 60 percent of archival holdings to the point where researchers can have efficient access to them.

### Results

- ✓ We met our target to process 60 percent of archival holdings to the point where researchers have efficient access.

*Discussion* Archival processing involves all of the steps needed to open a record to the public. These steps included establishing basic intellectual control, flagging records that have privacy or national security classifications, providing 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.

Each year we tackle our backlog of records to expedite processing and make them available for access to the public. With the infusion of new technology, we see greater numbers of records being created at agencies. This results in higher transfer volumes of new records to the legal custody of NARA, faster than they can be processed. We successfully met this year's target of 60 to process records to the point where researchers could access.

### Performance Data

	2007	2008	2009	2010	2011	2012
<i>Performance target for percent of archival holdings processed to the point where researchers can have efficient access to them.*</i>	<i>Establish baseline</i>	10	10	10	8	60
Percentage point increase in the number of archival holdings processed to the point where researchers can have efficient access to them.	—	<i>Establish baseline</i>	11	6	6	7
Percent of archival holdings processed to the point where researchers can have efficient access to them.	21**	30	41	47	53	60
Number of records processed in Presidential Libraries (in cubic feet).	—	108,224	121,259	124,981	126,550	134,050
Number of series processed in our regional archives.	—	9,445	23,182	29,488	40,437	44,804
Number of processed Holdings Management System entries.	—	62,637	71,718	90,603	100,807	121,172

\* Performance target measurement was "percent increase" in years prior to FY 2012. \*\* Data reported in 2007 reflects only Washington, DC, area work. Data beginning in 2008 reflects results for the agency.

*FY 2013 Performance Plan Evaluation* We are exploring ways to engage citizens in adding descriptions to NARA holdings through social media tagging. We are undertaking an effort to seek approval from the representatives of former and incumbent Presidents to waive their right

to receive notification of NARA's intent to release certain series of Presidential or Vice Presidential records.

2.3 GOVERNMENT-WIDE DECLASSIFICATION

**FY 2012 Objectives**  Ninety percent of agency declassification programs receive high scores as assessed by ISOO.

**Results** ✓ Agency declassification programs exceeded the target in the percent of programs receiving high scores as assessed by ISOO.

*Discussion* The Information Security Oversight Office (ISOO), administered by NARA, oversees the Government-wide security classification program and reports annually to the President on its status. ISOO collects data about agencies' programs and conducts on-site reviews to assess those programs.

Since FY 2008, ISOO follows a regimented program to improve our oversight of Executive branch agencies' declassification review programs. The program was designed to evaluate agency decisions, identify best practices, and provide agencies with constructive recommendations to improve their programs. ISOO developed a scoring methodology and used a scoring tool to objectively evaluate agency declassification programs. Annually, ISOO performs declassification review assessments for agencies with the goal to increase the percent of those achieving a high score.

ISOO takes advantage of opportunities to share knowledge and pursue ways to advance the declassification review process. ISOO participates in an intra-agency committee seeking possible uses for technology to improve search and access review capability for electronic records. In an inter-agency committee ISOO works with agency representatives to explore comprehensive referral standards to improve efficiency and effectiveness in declassification review.

Each year, ISOO reports an increased percentage of agencies' declassification programs achieving high score. ISOO offers agency training sessions, including extensive question and answer sessions and practical exercises with declassification review staff of the agencies that were assessed in FY 2012. Agencies that have implemented ISOO's recommendations from the assessments indicate that the assessments are improving their programs and the training is beneficial to reviewers. The percent of agencies achieving high scores exceeded our long range target of 90 percent.

<b>Performance Data</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<i>Performance target for percent of agency declassification reviews that receive high scores as assessed by ISOO.</i>	–	<i>Establish baseline</i>	51	69	80	90
Percent of agency declassification reviews that receive high scores as assessed by ISOO.	–	36	53	67	81	94
Number of agency declassification reviews that receive high scores as assessed by ISOO.	–	8	10	10	13	15
Number of agency declassification reviews assessed by ISOO.	–	22	19	15	16	16
Number of pages declassified government-wide (in millions of pages).	37.2	31.4	28.8	29.1	26.7	TBD

*FY 2013 Performance Plan Evaluation* ISOO will closely monitor agency declassification programs through data calls conducted twice a year, assessments of agency reviews at the National Declassification Center, and selected assessments at the agencies.

#### 2.4 NARA DECLASSIFICATION

##### **FY 2012 Objectives**

- ❑ Complete quality assurance in the National Declassification Center (NDC) on 251 million pages of classified documents 25 years old and older and accessioned into NARA.
- ❑ Scan 500,000 pages of Presidential records eligible for declassification review as part of the Remote Archives Capture Project.

##### **Results**

- ✓ We completed quality assurance on a cumulative total of 202 million pages of classified documents 25 years old and older and accessioned into NARA.
- ✓ We scanned 78,973 pages of Reagan Presidential records and completed equity referral identification and preparation of more than 1 million pages of Presidential records for future scanning and review.

*Discussion* The Government protects millions of classified documents at great expense, including a backlog, initially inventoried at more than 400 million pages of Federal records in our Washington, DC, area facilities. Millions of pages of classified records in our holdings are located in the Presidential Libraries. Since the issuance of Executive Order 13526, issued by the President on December 29, 2009, we have worked vigilantly to meet the December 31, 2013, deadline to declassify records as quickly as possible while maintaining national security. Agencies as well are focusing their efforts and limited resources on the significant implementation requirements of the Executive Order and 32 CFR Part 2001, and in meeting the December 31, 2013, deadline concerning the backlog of classified documents 25 years old or older, requiring action.

NARA's National Declassification Center (NDC), mandated by the President through Executive Order 13526, was stood up in January 2010. The NDC is charged with promoting collaboration among agencies, standardizing data, and bringing together disparate declassification processes and systems within the declassification community to expedite the review and declassification of the 25-year old and older classified records. Our declassification review and release process has stabilized. We track end-to-end NDC operations, allowing us to pinpoint chokepoints in our processes, report accurate production statistics at each step in our process, and streamline all of our data capture efforts.

Since stand up of the NDC, end-to-end tracking of NDC operations has assisted our efforts to successfully complete quality assurance on more than 200 million pages of classified information, complete processing on 85 million pages, and release 52 million pages to the public in FY 2012. However, we missed our goal to complete quality assurance on 251 million pages by the end of FY 2012 as a result of the failure of several agencies to do their mandatory page-level review for Kyl-Lott and inconsistent equity identification for national security information, including the

presence of excessive referrals in series that were reviewed long before the NDC process was implemented. To remediate the Kyl-Lott issue, we established an inter-agency and NARA page level review that resulted in 20.2 million pages certified for Kyl-Lott by the end of FY 2012. We plan to address the issue with excessive referrals in 2013 when we apply the automatic declassification for 50-year-old documents to those series with excessive referrals.

During FY 2012, we completed special declassification review, processing, and digitization of a thematic collection of records related to the World War II Katyn Massacre during the second and third quarters of FY 2012. This response to a Congressional request to the President included a commemorative publication and an associated web page related to the unclassified and newly declassified records.

Our NDC Freedom of Information Act (FOIA)/Mandatory Declassification Review (MDR) Division continues to benefit from the improved work processes established during the last year. Since FY 2010 the number of FOIA and MDR cases closed has increased by nearly 151 percent going from 726 in FY 2010 to 1,821 cases closed in FY 2012. As more backlog records are processed through the NDC and opened to researchers, we anticipate an increase in focused, document-based requests and an eventual reduction in large requests for unprocessed records.

In addition, we have crafted a potential process for the review and release of the limited number of electronic records currently accessioned to NARA. We will conduct a pilot to refine the process.

NARA, in partnership with the Central Intelligence Agency (CIA) and all other classifying agencies in the Federal Government, is using the Remote Archives Capture (RAC) project to capture the classified materials held by the Presidential Libraries in digital format. Once digitized, the materials are reviewed in a centralized location in Washington by equity-holding agencies. We use this vehicle to facilitate declassification review and to comply with EO 13526 by ensuring that we refer all 25-year-old classified documents to the appropriate equity agencies. The primary classifying agency uses a classified review system for review and declassification of their equities and transmits their decisions to a CIA center. The CIA center subsequently provides the Library with its declassification decisions. This year we scanned 78,973 pages of Presidential records eligible for declassification. Due to resource constraints we scaled back our scanning efforts at the Reagan Library and concentrated resources on the review and identification of RAC referral equities for the remainder of this fiscal year. We systematically reviewed for declassification and identified RAC referral equities in 192,150 pages of Reagan Library documents.

<b>Performance Data</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<i>(Cumulative) Performance target for number of pages completed quality assurance in the NDC for declassification processing effort.</i>	–	–	–	–	100	251
(Cumulative) Number of pages completed quality assurance in the NDC for declassification processing effort (in millions).	–	–	–	–	108*	202
Number of pages completed in the NDC declassification processing effort (in millions).	–	–	5.6	7.8*	20.2*	85.5*
Number of Federal pages declassified and made available to the public (in millions).	–	–	–	7.5*	18.3*	52.3*
<i>Performance target for annual number of Presidential pages scanned (in millions).</i>	.5	.5	.5	.5	.5	.5
Annual number of Presidential pages scanned	.51	.52	.55	.53	.83	.079

Performance Data	2007	2008	2009	2010	2011	2012
(in millions).						

*\* Data reported reflects activity beginning January 1, 2010 based on establishment of National Declassification Center.*

*FY 2013 Performance Plan Evaluation* NARA plans to continue work to eliminate our declassification backlog by the December 2013 deadline per the President’s memorandum of December 29, 2009, and in accordance with Executive Order 13526.

2.5 ARCHIVAL HOLDINGS IN APPROPRIATE SPACE

- FY 2012 Objectives**
- Complete first phase of Roosevelt Library renovation.
  - Award contract for second phase of Roosevelt Library renovation.
  - Complete move of records from St. Louis-area facilities to National Personnel Records Center facility.
  - Eighty-five percent of archival holdings are in NARA 1571 compliant space.
  - Complete construction of Kennedy Library addition and renovation.
  - Complete National Archives Experience Phase II renovations to the research center.

**Results**

- ✓ We completed site work and renovations to the second level in the Roosevelt Library.
- ✓ We awarded the construction contract for the second phase of Roosevelt Library renovations.
- ✓ We moved more than 95 percent of the records from St. Louis area facilities to the National Personnel Records Center facility.
- ✓ More than 94 percent of our archival holdings are stored in compliant space.
- ✓ We completed renovations to the Kennedy Library to comply with NARA’s archival storage standards.
- ✓ We completed infrastructure reconfigurations of the Warner Research Center as part of the National Archives Experience Phase II.

*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 National Archives at 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.

This year, renovations to the aging Franklin D. Roosevelt Library have been completed. We completed work on the exterior of the building, renovations to the historic stacks and research room, and completed site work for the second phase of renovations. Phase two will focus on renovations to the exhibit areas on the main and lower floors, improvement to staff and public support areas, upgrades to the artifact storage spaces where archival textual records and collections are maintained, and modernization of office areas. The renovation improves conditions for staff, researchers, and visitors and helps to increase productivity and satisfaction of the facility as a place for work and research. Phase two work will conclude in FY 2013 in time for the opening of a new public exhibit.

We had reached the limits of storage capacity at our John F. Kennedy Library. Large volumes of accessioned materials over the years created overcrowded conditions. A new wing completed in FY 2011 alleviated this problem. Additional renovations were completed this year to upgrade storage conditions that were not in compliance with NARA's current standard for proper storage of archival materials (NARA Directive 1571).

The National Personnel Records Center (NPRC) building in St. Louis, MO, holds more than 600 NARA staff and is designed to house more than two million cubic feet of permanent and archival records in fully compliant space. We began moving the records from Page Avenue (Military Personnel Records), Dielman Road (Archives Annex) and Winnebago Street (Civilian Personnel Records) to this new facility in the spring of 2011. Since then we have moved more than 1.9 million cubic feet of records which includes Official Military Personnel Files; all of the burned records recovered from the 1973 fire; and all records from the Archives Annex. Move production slipped during the fourth quarter for a variety of reasons. Equipment breakdowns, record cart shortages, contractor personnel shortages, and extremely hot weather conditions all contributed to decreased productivity with the move and pushed completion out to early November.

Providing appropriate physical and environmental storage conditions is key to NARA's overall preservation strategy to ensure that archival records are available for use by the public for as long as needed. NARA 1571 establishes environmental conditions that will help achieve maximum life expectancy of the textual records stored in the regional archives system. NARA's facility in College Park, MD and the renovated National Archives building in Washington, DC, provide appropriate storage conditions for archival holdings in the Washington area. Space problems have pushed us to move other archival records from the Washington area and regional archives to archival bays in the National Archives facilities at Lee's Summit, Missouri, and Lenexa, Kansas.

The National Archives at New York began its move to a new location in lower Manhattan at the Alexander Hamilton U.S. Custom House, 1 Bowling Green. The new facility includes a Welcome Center that introduces visitors to the Archives and features an original document display; a Reference Room with 24 public access computers; a Research Room; and a dedicated Learning Center to facilitate expanded educational outreach and new public programming initiatives. In addition, a temporary exhibit, "The World's Port: Through Documents of the National Archives" opened in the Rotunda of the Custom House on September 26<sup>th</sup>.

Over the past few years, we have completed upgrades to our facilities making them compliant with archival storage standard, *NARA 1571*. In FY 2012, significant construction for the Philadelphia archival bay included completion of a new demising wall, processing room, and a new exterior addition that houses new HVAC and filtration equipment. Additional work is estimated for completion in early FY 2013.

The National Archives Experience Phase II is a project to create space for a new exhibit gallery at the National Archives Building in Washington, DC. In FY 2012, we completed the reconfiguration of the Warner Research Center to create space for a new exhibit gallery, *Freedom Hall*. This gallery will create the opportunity for visitors to connect our country's 18<sup>th</sup> century struggle for liberty with our world today.

There are many challenges in reconfiguring occupied space as we were committed to keep the research center and exhibit space open to researchers and the public with minimum disruption. To meet the challenges, we contracted for reconfigurations of the research center to be performed at night to minimize disruptions to NARA staff and researchers. When reconfiguring ceilings in the building, we chose non-peak times to cordon off access at the east and west lobbies of the building while maintaining public access.

<b>Performance Data</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Percent of artifact holdings in appropriate space.	42	40	37	40	40	40
Number of artifact holdings (in thousands).	544	582	628	600	600	600
Percent of electronic holdings in appropriate space.	100	100	100	100	100	100
Number of electronic holdings in appropriate space (in millions of logical data records).	4,737	5,523	6,704	6,944	7,171	11,405
Number of electronic holdings in appropriate space (in terabytes).	—	—	—	110.0	156.1	515.2
<i>High Priority Measure: Percent of archival holdings in NARA 1571 compliant space (target 85% by 2012).</i>	—	—	—	—	—	85
Percent of archival holdings in NARA 1571 compliant space.	80	73	70	71	78	94
Number of archival traditional holdings (in thousands of cubic feet).	3,346	3,729	3,937	4,043	4,248	4,482
Cost of archival storage space per cubic feet of traditional holdings stored.	\$6.20	\$5.85	\$5.83	\$6.16	\$7.19	\$6.64

*FY 2013 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 at the Roosevelt Presidential Library and approve and dedicate the George W. Bush Library.

2.6 NARA FEDERAL RECORDS CENTER HOLDINGS IN APPROPRIATE SPACE

- FY 2012 Objectives**
- Achieve initial occupancy of Denver records storage facility.
  - House 85 percent of NARA's non-archival holdings in appropriate space.

- Results**
- ✓ Staff moved in to the Denver records storage facility beginning in May 2012.

- ✓ We housed nearly 80 percent of our non-archival holdings in space meeting records storage facility standards.

*Discussion:* In accordance with 36 CFR Part 1234, the Archivist is responsible for specifying the facility standard and approval processes that apply to all records storage facilities Federal agencies use to store, service and dispose of their Federal records. In this role, we often advise Federal agencies or inspect their facilities to bring their facility under regulatory storage compliance. We hold our facilities to the same standards.

Working with GSA over a two year period, a lease was awarded in FY 2011 for a new Denver facility to be built by a private developer and leased back to NARA over a 20-year term. The facility, completed in late April, replaced the aging Denver Federal Center, which did not meet records storage facility standards. Constructed in Broomfield, CO, the new facility can house approximately 750,000 cubic feet and is in compliance with both 36 CFR 1234 and NARA 1571 storage standards. The facility houses the Federal Records Center, the regional archives, and records management. Initial occupancy was achieved in FY 2012. The move of records into the facility began in early June and will take approximately one year.

We also completed a major renovation at the Washington National Records Center (WNRC), which added a pipe protection and leak detection system to overhead piping. This was the last modification required for this facility to be fully compliant. Completion of the paperwork to certify compliance is the last remaining task. Once this certification is complete, we will have attained our goal of having 85 percent of non-archival records in appropriate space.

Additional renovation projects conducted to advance NARA in records storage facility compliance in FY 2012 included the Chicago heating, ventilation, and air conditioning (HVAC) project. The work was completed although GSA staff continue to work with the construction contractor to balance the new HVAC systems and complete their integration with a new building automation system. We are awaiting the results before issuing final certification.

In addition, the last remaining compliance task to be completed at the San Bruno facility is the implementation of a pipe protection and leak detection system. Lessons learned shared between Chicago, who previously had similar pipe work done, and San Bruno, provided the basis for more extensive design work. We expect design completion in early FY 2013.

Delays with the Customs House project moved completion to early FY 2013. Testing and commissioning of the HVAC system are expected in November. All of these projects are in occupied buildings which increases project complexity.

<b>Performance Data</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<i>High Priority Measure: Performance target for percent of NARA records center holdings stored in appropriate space (target 85% by 2012).</i>	–	–	100	–	–	85
Percent of NARA records center holdings stored in appropriate space.	–	–	–	59	65	80
Volume of records center holdings (cubic feet in millions).	25.7	26.6	27.2	27.8	27.9	28.4
Storage price per cubic foot for records center holdings.	\$2.28	\$2.40	\$2.40	\$2.52	\$2.52	\$2.64

*FY 2013 Performance Plan Evaluation* Our Federal Records Centers Program continues to implement infrastructure upgrades and compliant storage solutions as required for Federal temporary records.

## 2.7 PRESERVATION

### **FY 2012 Objectives**

- Appropriately treat and remove 65,000 cubic feet of NARA's archival holdings needing preservation from the backlog.
- Conduct preservation reviews at six NARA locations.
- Deploy Holdings Management System (HMS) in five additional regional archives.

### **Results**

- ✓ We treated and removed more than 69,000 cubic feet of NARA's archival holdings from the preservation backlog.
- ✓ We completed site visits and preservation reviews at Waltham, Pittsfield, Seattle and Anchorage regional locations and at the Kennedy, Johnson, and Carter Presidential Libraries.
- ✓ We deployed HMS to Anchorage, Seattle, Chicago, and San Bruno regional archives.

*Discussion:* NARA must preserve a variety of formats and media in our holdings – paper records, motion pictures, audio recordings, videotapes, still photography, aerial photography, microfilm and other microforms, maps, charts, and artifacts. Preservation is complex and challenging as a result of many factors. Rapid changes in technology used to create nontextual records, time induced deterioration and instability of the media, equipment and media obsolescence, handling of the records by researchers or the public, the size of our holdings, tools and knowledge to support the records are just some of the challenges that exist with preservation. Accomplishing our preservation goals extends the life of our holdings and makes records accessible to the public. Despite the challenges we face with significant increases in new record formats, increased demand for digitization, and fluctuating demand for use of archival records, we continue to examine multiple strategies to address the preservation needs of our holdings.

This year we treated and removed more than 69,000 cubic feet of records from our preservation backlog. Although we were able to meet our target this year, balancing the competing demand of limited resources available to enable the preservation of a high number of cubic footage and substantially lowering our preservation backlog remains a significant challenge. We continue to focus on implementing efficiencies in work flows, provide storage for electronic records, identify the requirements for holdings maintenance and other preservation actions, and establish contracts for special media formats that we are unable to preserve in-house. NARA initiated a program to review preservation aspects of holdings and programs nationwide on a five-year cycle. Preservation reviews serve to advance long-term preservation of NARA holdings. This year we completed reviews at three of our Presidential Libraries and at four of our

regional facilities. We adhered to an aggressive schedule to follow up on action plan progress for preservation reviews conducted in FY 2010 and FY 2011 in addition to carrying out preservation reviews at seven locations throughout the country.

Preservation reviews are the primary mechanism used to identify broad preservation priorities for each NARA storage and access location for original records and holdings. The process is structured with pre-planning and discussions with selected sites and respective program offices, an on-site review of the facility and programs along with discussions with staff, and a written report that summarizes findings and identifies preservation priorities. This process also involves our space and security management offices who conduct facility inspections and reviews, space planning, and more formal building review. The preservation review culminates with an action plan and scheduled follow up on progress.

NARA's Holdings Management System (HMS) provides the capability to record assessments and track the location and progress of treatment of NARA's non-electronic archival holdings. The initial implementation included space management, circulation of records to staff, preservation risk assessment, and work requests for preservation and other activities. 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 was deployed to four regional archives facilities (i.e. Anchorage, Seattle, Chicago, and San Bruno) this year. Deployment to the Denver regional archives was delayed until FY 2013 due to the recent move into the new Denver facility.

<b>Performance Data</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<i>Performance target for percent of archival holdings that require preservation action.</i>	<i>Establish Baseline</i>	≤65	≤65	≤65	≤65	≤65
Percent of archival holdings that require preservation action.	65	65	65	64	62	61
Holdings requiring preservation action (in thousands of cubic feet).	2,163	2,425	2,571	2,578	2,636	2,734
Archival holdings that received preservation treatment this year (thousands of cubic feet).	56	125	116	110	79	102
Cumulative volume of archival holdings in cold storage needing preservation (thousands of cubic feet).	90	91	93	94	97	98
<i>Performance target for NARA's archival holdings treated and removed from preservation backlog this year (thousands of cubic feet).</i>	–	–	–	85	90	65
NARA's archival holdings treated and removed from preservation backlog this year (thousands of cubic feet).	–	91	46	56	96	70

*FY 2013 Performance Plan Evaluation* We are changing the way we calculate the universe of archival holdings needing preservation, employing more current assessments of preservation needs for our locations outside Washington, DC, instead of extrapolation of samples. This will have the effect of reducing the overall percentage of archival holdings needing preservation to between 55 and 58 percent. We will conduct preservation reviews at Presidential Libraries and regional archive locations.

### **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.

#### 3.1 PROCESSING ELECTRONIC RECORDS

#### **FY 2012 Objectives**

- Sustain 85 percent of archival electronic holdings processed to the point where researchers can have efficient access to them.
- Achieve 75 percent migration of legacy holdings to ERA system for Federal records.

#### **Results**

- ✓ More than 87 percent of archival electronic holdings were processed to the point where researchers could access.
- ✓ We migrated 75 percent of our eligible electronic holdings accessions to ERA system for Federal records.

*Discussion* To ensure our success in fulfilling NARA's mission in the digital era, we must guarantee the continued availability of the permanent electronic records of all three branches of our Government. Failure to do so would result in the loss of essential evidence necessary to protect citizens' legal rights; the Government would suffer loss of accountability and credibility, and our ability to discover and learn from our documented national experience would be substantially decreased.

We understand that the public expects government information and services to be accessible through their channel of choice. To meet these expectations, our holdings must be preserved, available, and accessible by the public online. In FY 2012, 87 percent of our holdings were fully processed, described, and available for researcher access.

NARA's Electronic Records Archives (ERA) is designed to address the continued availability of permanent electronic records transferred to NARA. The system handles the unique needs of electronic records from Federal agencies, Presidential Administrations, and the U.S. Congress. The Online Public Access—a component of ERA, makes our permanent electronic records searchable and accessible by the public.

An FY 2012 accession of the 2010 Census records tripled our volume of electronic holdings. Although statutory requirements restrict the release of Census records for 72 years, we must

ensure that these records are available and accessible at that time – long after the software and hardware used to create these records becomes obsolete. Maintaining the authenticity and accessibility of these records throughout time is the challenge that ERA prepares us to tackle.

We must ensure that our legacy holdings are ingested into ERA. A systematic procedure involving numerous steps is in place to ensure we accurately and securely move these records from our legacy systems into ERA. This year we met our target to transfer 75 percent of unclassified legacy holdings to ERA. As we continue the migration of legacy holdings, we run dual operations, using both ERA and portions of our legacy systems, to manage electronic records.

<b>Performance Data</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<i>Performance target for percent of archival electronic accessions processed to the point where researchers can have efficient access to them.</i>	95	80	80	80	83	85
Percent of archival electronic accessions processed.	81	86	88	88	83	87
Number of accessions received.	2,153	2,328	2,476	2,674	2,938	3,143
Number of accessions processed.	1,738	2,004	2,188	2,349	2,429	2,743
Unprocessed accessioning backlog (in accessions).	415	324	288	325	509	400
<i>Performance target for per-megabyte cost of managing electronic records each year.</i>		<\$0.37	<\$0.39	<\$0.36	<\$0.1	<\$0.12
Per-megabyte cost of managing electronic records each year.	\$0.37	\$0.39	\$0.36	\$0.15	\$0.12	\$0.03
Median time (in calendar days) from the transfer of archival electronic records to NARA until they are available for access.	467	2,127*	1,842*	2,209*	274	414

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

*FY 2013 Performance Plan Evaluation* We will continue to migrate data from the legacy media to ERA Base while sustaining a high volume of electronic records available for researchers' access.

**3.2 PRESERVING ELECTRONIC RECORDS**

**FY 2012 Objectives**

- Establish a methodology for evaluating preservation risk.
- Develop preservation and access plans for selected high priority (targeted) archival electronic records.
- Transform 100 percent of standard EBCDIC records to ASCII records in accordance with our preservation and access plan.

**Results**

- We developed a methodology to assess the risks of format obsolescence of permanent electronic records.
- We created preservation plan and access plan templates to establish a standardized approach for assessing preservation and access needs of

specific electronic formats.

- ✓ We examined the process for transforming EBCDIC records to ASCII format using the tool.

*Discussion* NARA currently provides one level of service for its electronic records: we preserve the records in the format in which we receive them, ensuring that the data remains unchanged and uncorrupted over time. The ERA system enables NARA to preserve permanent holdings and mitigating the risks and threats to these records is essential. It requires that we assess the digital preservation needs of archival electronic formats in NARA's custody and establish criteria to prioritize the development of plans to address preservation and access requirements.

In FY 2012, we developed a methodology to evaluate the risks of format obsolescence for electronic records. Prior to developing a risk methodology, we examined best practices in place at similar institutions. We found that the Library of Congress' "sustainability factors" methodology included the most comprehensive inventory of risk factors. Leveraging our work with that of the Library of Congress, we decomposed their sustainability factors into a series of questions that we will use to determine the suitability of a format for transferring records to NARA, as well as to determine the risk of format obsolescence.

We developed nearly 20 technical white papers to help us gain a fundamental understanding, from a technical perspective, of the nature of the source formats in our electronic holdings. Our goal is to develop technical white papers for each format that exists in our holdings as well as for formats that may be transferred to NARA in the future. Using our preservation risk methodology, we will establish priorities for formats needing the most attention and base the development of white papers on these priorities. Technical information on source formats will help us make better decisions about how to manage each format over the long term, from a preservation perspective.

Leveraging the information we developed in the technical white papers, NARA will complete preservation plans for formats represented among its holdings of permanent electronic records. The preservation plan provides a place for NARA to record the results of its analysis, as well as its analysis of the extent to which NARA's systems can accurately identify, verify, and transform records in the source format, and extract the necessary metadata.

We will also develop access plans that address the needs of the research community likely to use a specific source format. This methodology will help us determine the level of risk of obsolescence of a specific format. In FY 2012, we developed preservation plan templates and access plan templates to standardize the methodology and information required for each plan type.

In the long term, the ERA system will allow NARA to preserve and maintain electronic records using the analysis of information in our preservation plans and access plans. The ERA system will enable NARA to preserve permanent holdings to maximize the number of records available to researchers. We will preserve and maintain permanent electronic records in any format and transform these records to the most appropriate format needed, or to a persistent format or state when possible. This work will be carried out based on the technical characteristics of the records, expected customer demands or interests, the needs of the records' originators, the laws and regulations requiring differing levels of control, and NARA's business strategies and priorities.

We must also synchronize the work to evaluate formats for risk of obsolescence with our approach to evaluating formats for the purpose of developing transfer guidance. Our plan is to first develop criteria and an approach for transfer guidance and use that approach as a starting point for defining risk of obsolescence. The risk of obsolescence methodology helps us to begin the work of determining which formats present the greatest risk of obsolescence.

Our work to transform EBCDIC records to ASCII proved more challenging than expected. We learned that the process for selecting the source records for conversion was logistically complex. Manual examination of each potential source file was required to determine candidates for transformation. This labor-intensive task would not necessarily result in records that were frequently referenced. To more effectively use our resources, we recommended a more tangible approach to provide transformations upon reference demand.

*FY 2013 Performance Plan Evaluation* We will assess the digital preservation needs of the archival electronic formats in NARA's custody and establish criteria to prioritize the development of preservation plans. We will continue investigating whether and how the ERA Transformation Tool can be used to address and mitigate the risk of format obsolescence in the context of fulfilling reference orders.

### 3.3 COST OF ELECTRONIC RECORDS MANAGEMENT

#### **FY 2012 Objectives**

- Mandate ERA use by Federal agencies in scheduling and transferring permanent records in all media to NARA.
- Carry out corrective and adaptive maintenance tasks.

#### **Results**

- ✓ More than 260 Federal agencies have received instruction on how to get started using ERA.
- ✓ We established a methodology for setting priorities for corrective and adaptive tasks through NARA's IT governance process.

*Discussion* Beginning in FY 2013, Federal agencies must use ERA for scheduling records and transferring permanent records to NARA. In FY 2011, NARA implemented an aggressive communication campaign to push Federal agency adoption and use of ERA. NARA issued a bulletin to inform agencies that in FY 2013, NARA would use ERA to process schedules and transfer permanent records to NARA. Only a few narrowly defined exceptions were included that would exclude agencies from using ERA (e.g. ERA cannot handle classified records, an agency's firewall prohibits connection with ERA, etc.). By the end of FY 2012, we briefed, trained, and surveyed our Federal agency customers to prepare them for mandatory use of ERA in FY 2013 and beyond.

We approached the rollout of ERA to agencies in two phases. Phase 1 focused the deployment to CIO council departments and agencies. The second phase rollout of ERA to all other agencies began in July 2011 and included briefings and training provided to 5 through 25 agencies every month through September 2012. Feedback was welcomed and agencies' were invited to participate in an online survey in late March 2012. At a minimum, we provided agencies with instruction on how to get started using ERA, how to obtain user accounts and how to access

appropriate training. More than 56 percent of the agencies also took our online training and nearly 29 percent have already completed work—either drafting records schedules or creating transfer requests—in the system. We continue to offer hands-on “boot camps” in our regional and Washington, DC locations to our active users.

ERA user adoption presented several challenges. We developed procedures to ensure that agencies have all necessary information to begin using ERA; that archival and technical support is available; that the system operates effectively and does not impede the user adoption process; and that we have the capability to inform agencies of records that they need to schedule. ERA survey results from April indicated that 56 percent of survey respondents were satisfied with ERA overall, 20 percent were neutral about their experience, and 24 percent were unsatisfied. We will continue to capture and monitor feedback to improve the experience for the customer.

NARA awarded an ERA operations and maintenance contract to IBM. Certain ERA functionality must be enhanced, adapted, or corrected to meet customer needs. We established a methodology for setting priorities for these corrective and adaptive tasks for consideration and validation through NARA’s IT governance process. Some of the feedback from our external customers addresses the need for performance improvement. To address this concern we augmented our customer acceptance lab and activities are underway to improve search performance.

<b>Performance Data</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<i>Performance target for megabyte cost to manage archival electronic records.</i>	–	–	<i>Establish baseline</i>	<\$0.36	<\$0.15	<\$0.12
Per megabyte cost to manage archival electronic records.	\$0.37	\$0.39	\$0.36	\$0.15	\$0.12	\$0.03
*Number of terabytes of archival electronic records managed by NARA (includes pre-acquisitioned electronic records).	17.8	18.2	19.2	110.4	156.1	515.2

*\* Note on the unit of measure for electronic holdings. In FY2012, NARA switched from the gigabyte defined as 1,024<sup>3</sup> bytes, a common practice in the computer industry, to gigabyte defined as 1,000<sup>3</sup> bytes, to be in alignment with the international SI standard. The effect of this alignment is that numbers previously reported in gigabytes have all increased by 7.4 percent and numbers reported as terabytes have increased by 10 percent over what was reported before FY 2012.*

*FY 2013 Performance Plan Evaluation* We will continue to offer hands-on ERA training through the second quarter for agencies’ active users. We will focus on operational efficiency and will look at ways to support the federal cloud computing initiatives.

### 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 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.

4.1 NARA CUSTOMER SERVICE STANDARDS

**FY 2012 Objectives**

- 94 percent of written requests are answered within 10 working days;
- 95 percent of items requested in our research rooms are furnished within 1 hour of request or scheduled pull time;
- 89 percent of Freedom of Information Act requests for Federal records are answered within 20 working days;
- 92 percent of online archival fixed-fee reproduction orders are completed in 20 working days or less.
- Successfully maintain average OGIS case closing time of 34 working days.
- Establish formal mediation program to resolve FOIA disputes.

**Results**

*"The customer focused attitude and sense of urgency was astounding!"*

- ✓ We answered 97 percent of written requests within 10 working days.

*"Knowledge of the collections is a priceless asset..."*

- ✓ We provided 98 percent of items requested in our research rooms within 1 hour of the request or scheduled pull time.
- ✓ We answered 85 percent of Freedom of Information Act (FOIA) requests for Federal records within 20 working days.

*“On behalf of my shipmates and myself, I want to thank you for the work you did in getting me copies of the deck logs.”*

- ✓ We completed 95 percent of our online archival fixed-fee reproduction orders in 20 working days or less.
- ✓ We completed an evaluation of our OGIS case intake process, resulting in the implementation of more streamlined case intake procedures.
- ✓ We completed our preliminary mediation program design along with operating procedures in preparation for implementation.

*Discussion* We successfully met or exceeded most of our customer service targets in FY 2012. In our research rooms, our customers received requested research materials within one hour 98 percent of the time. We increased the number of items that we furnished in our research room by one percent over last year. We responded to customers' written requests within 10 working days 97 percent of the time. Although our staff accommodates increasingly diverse forms of inquiry, including social networking media requests, we continue to maintain our historic record of consistently meeting and exceeding our written requests timeliness targets. Ninety-five percent of the time we responded to online archival reproduction orders within 20 working days and we answered 85 percent of FOIA requests for Federal records within 20 working days.

Many staff were challenged with meeting the targets and balancing the work required for multiple tasks and new initiatives. Some of these tasks included the implementation of our Holdings Management System (HMS) at several of our facilities, the migration to our Electronic Records Archives, and digital processing initiatives. Although we were able to meet our targets, these efforts tested the ability of staff to maintain our high standards of service.

The Office of Government Information Services (OGIS), established in September 2009, reviews policies and procedures of administrative agencies under FOIA, reviews agency compliance with FOIA, and recommends policy changes to the Congress and the President to improve the administration of FOIA. OGIS's mission also includes providing services to mediate disputes between FOIA requesters and Federal agencies, developing an innovative approach to reduce litigation, and improving the FOIA process for the public and the Government. Since establishment of the OGIS, 1,038 cases out of 1,097 were closed. OGIS cases include requests for dispute resolution for specific FOIA requests as well as more general inquiries.

In FY 2012, OGIS implemented more streamlined procedures to improve its case intake process, complementing its new case management database, the OGIS Access System (OAS). Through this and other efforts, OGIS aims to provide exemplary customer service to stakeholders. We also produced a preliminary report detailing a mediation program design along with operating procedures. When fully implemented, this program will enable OGIS to provide formal mediation for appropriate cases, helping to meet Congress' expectations with respect to its statutory mission.

<b>Performance Data</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<i>Performance target for written requests answered within 10 working days.</i>	90	91	92	93	94	94
Percent of written requests answered within 10 working days.	95	94	95	93	95	97
<i>Performance target for Freedom of Information Act requests for</i>	85	86	87	87	88	89

**National Archives and Records Administration**  
**Performance and Accountability Report, FY 2012**

<b>Performance Data</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<i>Federal records completed within 20 working days.</i>						
Percent of Freedom of Information Act requests for Federal records completed within 20 working days.	88	89	86	89	89	85
Number of FOIAs processed (Federal and Presidential).	12,406	13,485	17,512	15,771	17,182	13,745
Annual cost to process FOIAs (in millions).	\$2.72	\$2.34	\$2.76	\$2.97	\$3.16	\$3.08
Annual per FOIA cost.	\$219	\$173	\$157	\$189	\$184	\$224
<i>Performance target for items requested in our research rooms furnished within 1 hour of request or scheduled pull time.</i>	95	90	93	94	94	95
Percent of items requested in our research rooms furnished within 1 hour of request or scheduled pull time.	86	93	93	96	97	98
Number of researcher visits to our research rooms (in thousands).	136	140	129	137	129	123
Number of items furnished in our research rooms (in thousands).	520	577	553	564	578	549
Number of items furnished on time in our research rooms (in thousands).	449	538	515	539	560	536
<i>Performance target for archival fixed-fee reproduction orders through SOFA are completed in 20 (35 pre-2007) working days or less.</i>	85	85	90	90	91	92
Percent of archival fixed-fee reproduction orders through SOFA are completed in 20 working days or less.	72	68	90	96	96	95
Average per order cost to operate fixed-fee ordering.	\$26.67	\$30.59	\$38.06	\$40.49	\$39.59	\$39.82
Average order completion time (days).	17	22	18	13	13	7

*FY 2013 Performance Plan Evaluation* We expect to meet or exceed our published standards for customer service. In FY 2013, the Office of Government Information Services (OGIS) will gather additional data points that will assist us in better understanding our case load, ultimately establishing accurate estimates of average case closing time. In addition, OGIS will continue the planning and implementation of a formal mediation program that will ensure that we are capable of responding to requests for formal mediation.

**4.2 ONLINE ACCESS TO ARCHIVAL HOLDINGS**

- FY 2012 Objectives**
- Meet 100 percent of the 2012 target for archival holdings accessible online.
  - Develop a digitization strategy for access and preservation.
  - Open 1940 Census records to the public.

- Results**
- ✓ We reached 119 percent of the 2012 target for making archival holdings accessible online.
  - ✓ We developed a draft digitization strategy.

*"I think this whole project and your progress on it is just AMAZING. So easy to access!"*

- ✓ NARA successfully released 3.8 million images of the 1940 Census online to the public on April 2, 2012.

*Discussion* We released our updated [Open Government Plan for 2012 – 2014](#) which lays out an ambitious path to strengthen the efforts we have already put in place to further the principles of open government – transparency, participation and collaboration. These open government principles, while inherent to NARA’s mission, drive us to examine how we accomplish our mission given the opportunities and challenges that lay before us both today and in the future.

We actively engage in four major strategies to increase the amount of archival material that we provide online. These strategies include partnerships to digitize selected traditional archival material, collecting existing digital copies of traditional archival material, exploring innovative NARA-led projects for digitizing archival material, and making electronic records which are “born digital” available online, as appropriate. A recent organizational change was made to create an *Office of Innovation* at NARA. This office will focus on accelerating NARA’s innovation activities and culture, as well as support innovation in public access delivery. We will develop and launch collaborative projects, public challenges, and partnerships with the archival community, industry, and academic institutions to support innovation activities.

NARA successfully released the [1940 Census](#) records online to the public on April 2, 2012. These records, highly sought after by both genealogists and other researchers, included 3.8 million digital images of the [1940 Census](#) schedules, enumeration district descriptions, and maps. With previous decennial Censuses releases on microfilm, the 1940 Census was provided in a more modern and efficient format for public access.

In anticipation of a high demand for access to the Census records, we contracted work to develop a site to host the 1940 Census in the “cloud.” Prior to launching the Census, we ran a “40 days ‘til the 1940 Census” campaign to inform the public about the release. We communicated using social media outlets such as YouTube. Within the first 7 hours of the release, the 1940 Census website received over 37 million hits. As a result of this demand, visitors experienced problems with searching and displaying images on the site. The initial problems were quickly resolved by the second day when we opened additional servers and added additional cache to help with the display of images. By the end of the second week, the site served more than 126 million images and 2.85 million searches.

The Census database includes an index searchable at the enumeration district level. To make the search for information easier, NARA joined a consortium of groups to create a name-based index. With this effort led by FamilySearch, as many as 300,000 volunteers may assist to enter names into a central database.

NARA engages in internal digitization projects and projects with partners to increase the number of archival holdings accessible online. For several years we have worked to reach a 2012 target of achieving 1 percent of archival holdings accessible online. We exceeded that goal this year, but the one percent target alone reflects how vast the number of archival holdings that require digitization.

Initiatives to increase public participation such as our [Citizen Archivist Dashboard](#), where the public can engage in efforts to tag, transcribe, and scan Federal records to help make the Federal Government’s archival records more accessible online, is one of the ways we are facilitating innovative ways to expedite access to NARA holdings. In the last two years, we have dramatically increased our participation with Wikipedia, a source where 42 percent of Americans turn to for information. The Citizen Archivist Dashboard also encourages individuals to share their knowledge about topics related to the records on the National Archives on *Our Archives Wiki* and on *Wikipedia*. As a result of Wikipedians, more than 90,000 digital copies for our catalog

are available in the Wikimedia Commons. This relationship is changing the way we think about our own archival work. Our visibility on social media outlets such as YouTube, Facebook, Flickr, Twitter, Tumblr, FourSquare and numerous blogs, recognizes the importance of proactively going where the public is instead of waiting for the public to find us. We will continue with these best practices as well as monitor the environment to identify new ways to improve open government.

Performance Data	2007	2008	2009	2010	2011	2012
Performance target for percent of archival holdings accessible online.	–	–	–	.30	.65	1
Percent of traditional archival holdings available online.	–	.04	.04	.6	.8	1.2
Performance target for percent increase in online catalog visits.	–	10	10	–	–	–
Percent increase in online catalog visits.	15	131	-6	-4	9	2
Number of online catalog visits (in thousands of visits).	291	671	631	603	657	673

*FY 2013 Performance Plan Evaluation* We will continue to increase the number of archival holdings accessible online by streamlining processes and engaging the public in social media projects that facilitate access.

#### 4.3 ONLINE CATALOG

##### **FY 2012 Objectives**

- Describe 80 percent of NARA traditional holdings in the online catalog.
- Describe 80 percent of NARA artifact holdings in the online catalog.
- Describe 80 percent of NARA electronic holdings in the online catalog.

##### **Results**

- ✓ We described 81 percent of NARA traditional holdings in the online catalog this.
- ✓ We nearly 88 percent of NARA artifact holdings in the online catalog.
- ✓ We described 87 percent of NARA electronic holdings in the online catalog.

*Discussion* NARA’s online catalog provides access to descriptions of holdings, artifacts, and electronic records held by the National Archives. This comprehensive, self-service tool ensures anyone with an internet connection access to descriptions of more than 3.4 million cubic feet of traditional holdings (e.g. historical documents, videos, photographs), 527,000 artifacts, and 9.9 billion born-digital records that are currently described in the online catalog.

In addition to quality review processes to ensure high quality descriptions, we offer numerous description training opportunities to staff. With more than 6.25 million descriptions in the online catalog, we are developing the next generation description and authority service (DAS) that will allow us to add millions of descriptions and digital objects from our partnership projects. Development of the final iteration of DAS is scheduled for completion in early FY 2013 and we

plan to deploy the tool in March 2013. The DAS will streamline the description review process and impose automated business rules up front rather than as part of the manual review process.

A Description Challenge Working Group was established to examine all aspects of the description process and identify ways to accelerate the archival description process. Strategies to avoid future backlogs and ways to develop a high quality description program were also examined. The study resulted in a streamlined process involving a four-tiered approach to performing description. Levels of description including preliminary description, minimal description, enhanced description, and in-depth research guides are used as guidelines to increase our rate of describing records. We created a roadmap for creating a high quality description program where we will pilot the preliminary description process and establish a description coordination group to evaluate proposals for enhanced description and in-depth research guide projects. We will monitor the impact of this four-tiered approach and its impact on our performance to describe archival records.

<b>Performance Data</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<i>Performance target for traditional holdings in an online catalog.</i>	55	60	65	70	75	80
Percent of traditional holdings in an online catalog.*	57	71	73	72	74	81
Number of traditional holdings described in an online catalog (millions of cubic feet).	1.9	2.4	2.7	2.8	3.0	3.4
Number of traditional holdings in NARA (millions of cubic feet). **	3.3	3.7	3.9	4.0	4.2	4.5
<i>Performance target for artifact holdings in an online catalog.</i>	55	60	65	70	75	80
Percent of artifact holdings in an online catalog.*	57	65	80	74	78	88
Number of artifact holdings described in an online catalog (thousands of items).	309	353	465	466	466	528
Number of artifact holdings in NARA (thousands of items).	544	582	628	600	600	600
<i>Performance target for electronic holdings in an online catalog.</i>	55	60	65	70	75	80
Percent of electronic holdings in an online catalog.	99	98	95	96	96	87
Number of electronic holdings described in an online catalog (billions of logical data records).	4.7	5.4	6.4	6.7	6.9	10.0
Number of electronic holdings in NARA (billions of logical data records).	4.7	5.5	6.7	6.9	7.2	11.4
Number of online catalog users (in thousands of visits).	291	671	631	603	657	673

*\*Percent of holdings described in an online catalog may differ from previous PARs because percent is now based on start of year inventory. \*\* 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 2013 Performance Plan Evaluation** We will continue to expand our online holdings and implement the four-tiered description approach to further drive progress on describing our holdings.

#### 4.4 WEB SITES

##### FY 2012 Objectives

- ❑ Improve NARA's score against the benchmark for excellence by 3 percentage points.
- ❑ Develop a project and plan to host *Archives.gov* in the cloud.

##### Results

*"The best thing for me was the very friendly interface."*

- ✓ We completed an upgrade to WebTrends analytics software user to measure online traffic and user behavior.
- ✓ We prepared a proposal and plan to move NARA's public web site to a cloud computing service model.

*Discussion* NARA's public website, [Archives.gov](http://Archives.gov), is often the virtual door and initial experience for customers using the internet to access the National Archives. Online visits have increased from 17.3 million in FY 2011 to 25.9 million in FY 2012—a 49.3 percent increase. Customer feedback and satisfaction with [Archives.gov](http://Archives.gov) is critical to our understanding of the customers' experience when seeking access to our services and information. We compare [Archives.gov](http://Archives.gov) to other government portal sites across the Federal Government as a benchmark for excellence. NARA uses the American Customer Satisfaction Index (ACSI) to determine how satisfied our online customers are with our web sites. The ASCI helps us to measure satisfaction by customer groups (e.g. genealogists, veterans, educators, students, etc.); by types of content accessed and preferred, and it was more recently updated to include questions on social media usage and preferences. This level of customer feedback helps us to develop strategies to create, modify, enhance, or remove online web content to improve customer satisfaction levels.

We experienced a slight decline in our score when we compare ourselves to the rest of the Federal Government. Comments observed in some of the survey responses suggest that problems with the performance of the 1940 Census web site during the initial release, problems with eVetRecs functionality, and questions about the Electoral College may correlate to lower satisfaction scores. Problems with displaying images on the Census site were quickly resolved by the second day. Comments about the Electoral College related to an understanding of the process and purpose of the Electoral College. In response, we updated the Electoral College pages and provided an interactive Electoral College map feature by the end of October. Although no action was taken to directly upgrade the eVetRecs website in FY 2012, the website was made more stable with additional redundant capabilities as part of another upgrade effort. Additionally, the hardware supporting the eVetRecs website now processes user requests much more quickly. We will analyze the eVetRecs website in FY 2013 for additional improvement considerations,

In addition to these changes, we incorporated "plain language" improvements throughout *Archives.gov* and enhanced several content areas to improve the display of information and also learn more about our customers and their tasks. The completion of an upgrade to WebTrends analytics software will assist in measurement of online traffic and user behavior.

We used data from the UK National Archives 1911 Census web site that launched in 2009 to estimate the potential demand for the 1940 census site. We realized that we needed to improve *Archives.gov* before the 1940 Census release. Faced with the challenge of high demand for census

data, we worked to meet the deadline and successfully launched *Archives.gov* on a Federal cloud before the April 2, 2012, 1940 Census release date. To address a two-day outage of the website in late April, we altered the configuration to keep the site up and running if the main host site were to fail. Moving *Archives.gov* to the cloud was transparent to our external customers and does not appear to impact their perception of the site. We will continue to test our failover process to ensure operational continuity of *Archives.gov*.

<b>Performance Data</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Online visits to NARA's web sites (in thousands).	34,871	37,807	37,470	39,036	33,600	44,128
<i>Performance target NARA web site scores as percent of benchmarked score for other Federal web sites.</i>	–	<i>Establish baseline</i>	67	72	75	75
Percentage point improvement in web sites scores.		–	3	5	-2	-1
Web sites score at or above the benchmark for excellence as defined for Federal Government web sites.*	67	66	69	74	72	71

\* Website score reflects data up through the third quarter. Fourth quarter ACSI data is typically available in December.

*FY 2013 Performance Plan Evaluation* To improve website content, highly requested features such as “Ask an Archivist” will be implemented. We will monitor and respond to data observed using our WebTrends Analytics software to identify further improvements. While the *Archives.gov* web site has received multiple awards and recognition for the new design, feedback typically is specific to applications running on the site. We will discontinue this measure as a comparison against the Federal Government average score, but will continue to survey and monitor feedback as it pertains to the website and applications accessed via the web site.

## 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, 90 percent of NARA's visitors are satisfied with their visit experience.

5.2. By 2016, a minimum of 85 percent of NHPRC-assisted projects produce the results required, employing rigorous standards and milestones approved by the Commission.

### 5.1. CUSTOMER SATISFACTION WITH OUR PROGRAMS

#### FY 2012 Objectives

- 87 percent of NARA education program visitors are satisfied with their visit.
- 87 percent of NARA exhibit visitors are satisfied with their visit.
- 87 percent of NARA public program visitors are highly satisfied with their visit.
- Implement prioritized recommendations from FY 2010 AASLH study results.
- Implement prioritized recommendations from 2011 longitudinal study of the Public Vaults.

#### Results

*"DocsTeach is "History Deliciousness!"*

- ✓ 100 percent of 377 surveys completed voluntarily by education program participants indicated that they were satisfied with their visit.

- ✓ We completed an observational study to identify the elements in the Public Vaults that are likely to impact visitor satisfaction.

*"Thank you for your wonderful program. Proof of the wonderful things that our government does."*

- ✓ We met the expectations of 100 percent of visitors rating our public programs.
- ✓ We designed a new interactive way-finding system to help visitors navigate our exhibits.
- ✓ We established a gallery management team to ensure that all aspects of the Public Vaults worked properly for our visitors.

*Discussion:* Our monthly workshop, *The Federal Register: What It Is and How To Use It,* is a means of educating the public and Federal agency regulation-writers about the Federal regulatory process embodied in the Federal Register Act and the Administrative Procedure Act, with an aim

towards increasing participation in the notice-and-comment process, and improving regulation-writing.

The Presidential Libraries play a vital role in promoting an understanding not only of the Presidency, but also American history and democracy. Our Presidential Libraries host robust museum, outreach, and education programs. As the keeper of the records of the Government, we have literally safeguarded the documentary record of American history. From the Charters of Freedom, to the census records that enumerate our country's population, to the records of Congress, and Presidential Administrations that document political developments, our holdings are vast and uniquely diverse. Our museums offer thought-provoking and entertaining permanent exhibits that combine documents and artifacts, photographs and film to immerse visitors in the sights and sounds of the past. While each Library has its own unique initiatives, they also collaborate on system-wide efforts to educate the public. The Libraries create programs for the public and student classrooms centered on such topics as Presidential decision making. Throughout our Libraries we conduct special workshops and teacher outreach programs, and programs for adults and families.

The Presidential Libraries support open government through a variety of social media tools that encourage two-way conversations with our audiences. Web 2.0 tools in use include social networking sites, blogging, microblogging, media sharing, and a mobile application that all serve to extend online and mobile access to the Presidential Libraries. Simultaneously, these communication channels provide more opportunities for the public to learn about Presidential Library holdings, public programs, and educational content. In FY 2012, in response to feedback from educators, we worked with the Foundation of the National Archives and Second Story Interactive to create the DocsTeach app for iPad devices. The DocsTeach website was chosen as one of the American Association of School Librarians (AASL) *Best Website for Teaching and Learning in 2012*.

We closely analyzed the results of the FY 2010 AASLH survey and determined that our visitors had concerns regarding navigating some of our exhibits and touring our building. In FY 2012, we increased the number of signs throughout our building, offering directions and instructions to our visitors. We also designed a new interactive system that will be implemented during the National Archives Experience Phase II renovations, to improve our visitor's exhibit experience.

Our customers continue to express interest in having more electronic access to our exhibits and to information about visiting the Public Vaults and the National Archives Experience. In response to our customers' needs, in FY 2012 we gained support from AT&T to create an app for our new exhibit: *To the Brink - JFK and the Cuban Missile Crises*. This accomplishment may pave the way for the creation of new electronic outreach opportunities through collaborations and partnerships in the future.

<b>Performance Data</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Number of physical visitors to NARA museums, exhibits, research rooms and programs (in millions).	3.2	3.2	3.6	3.6	4.0	3.8
<i>Percentage of NARA education program visitors satisfied with their visit.</i>	–	–	–	85	86	87
NARA education program visitors satisfied with their visit.*	–	–	–	–	–	–
<i>Percentage of NARA exhibit visitors satisfied with their visit.</i>	–	–	–	85	86	87
NARA exhibit visitors satisfied with their visit.	–	–	–	–	–	–

Performance Data	2007	2008	2009	2010	2011	2012
Percentage of NARA public program visitors satisfied with their visit.	–	–	–	85	86	87
NARA public program visitors satisfied with their visit.	98	100	99	99	99	100

\*An evaluation instrument developed in FY 2012 will be used to capture survey data in FY 2013 and beyond.

*FY 2013 Performance Plan Evaluation* We will continue to evaluate the results and proposed solutions from our observational study of exhibit visitors, to identify changes to pursue in FY 2013 that will improve our exhibits and impact customer satisfaction. We will complete the planning and administering of another AASLH survey in FY 2013.

## 5.2 NHPRC-ASSISTED PROJECTS

### FY 2012 Objectives

- ☑ 85 percent of all NHPRC-assisted grants produce the results expected.

### Results

- ✓ Nearly 89 percent of all NHPRC-assisted grants successfully reached their goal and produced the results expected.

*Discussion:* The National Historical Publications and Records Commission (NHPRC), a statutory body affiliated with the National Archives, supports a wide range of activities to preserve, publish, and encourage the use of documentary sources relating to the history of the United States. The NHPRC grant programs fund projects that promote the preservation and use of America’s documentary heritage essential to understanding our democracy, history, and culture.

In FY 2012, the NHPRC closed 116 grant projects with an 89 percent success rate. The NHPRC employs a rigorous competitive review process to determine which projects receive funds. Grant recipients come from a host of communities including colleges and universities, state, local, and tribal government archives, and nonprofit organizations. Grant projects typically range in duration from one to three years; therefore, grants awarded in any given year will not yield results until the following year at the earliest.

The NHPRC is challenged with managing grantee performance of typically more than 200 ongoing projects at any given time. To meet the challenge of managing performance of projects at various stages in the grant process, appropriate measures of success were developed with each new grant project to monitor interim progress toward their respective goals. The NHPRC continues to improve communication—specifically to applicants and grantees—about NHPRC programs, specific performance objectives, and general expectations of all Federal grantees to continuously improve our success rate. In FY 2012, the NHPRC authored *Introduction to Financial Management for Grant Recipients* and presented a companion webinar training to provide guidance and facilitate oversight of overall grant management requirements to ensure grantees understand the relationship between achieving project objectives and careful financial management.

In FY 2012, a total of 47,337 cubic feet of archival collections were preserved by NHPRC funded projects. The NHPRC also supported the publication of fifteen volumes of documentary editions. In addition, NHPRC funding helped preserve 25,000 electronic records and create 858,274 digital facsimiles of historical records.

The NHPRC continues to develop the web resource, *Founders Online*, a multi-year undertaking to place online over 170,000 historical documents from the nation’s Founding Era. Upon release, the public will be able to access, without charge, the full, annotated transcriptions of the papers of John Adams, Benjamin Franklin, Alexander Hamilton, Thomas Jefferson, James Madison, and George Washington.

The University of Virginia Press (UVA Press), our principal partner, in collaboration with the Ivy Group continues to test and develop *Founders Online*. In preparation for the June 2012 public launch of a preliminary version of the web resource, the software consultants determined that the site user load capacity was insufficient. The public launch was postponed. A new date will be determined after final load capacity testing is complete and system corrections are implemented.

<b>Performance Data</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<i>Performance target for percent of all NHPRC-assisted grants produce the results expected.</i>	–	–	–	82	85	85
Percent of all NHPRC-assisted grants produce the results expected.	86	81	82	92	84	89

*FY 2013 Performance Plan Evaluation* We continue to develop the web resource, *Founders Online*, and expect to launch the public version ([wwwFOUNDERS.archives.gov](http://wwwFOUNDERS.archives.gov)) in FY 2013. Through this web resource, users will be able to read, browse, and search tens of thousands of documents from the Founding Era.

## **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 that of the Civilian Labor Force (CLF).

6.3. By 2016, 60 percent of NARA's positions are filled within 80 days.

6.4. By 2016, NARA's telework rate is 100 percent of the Federal Government average rate.

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

### 6.1 DEVELOPING EMPLOYEES

#### **FY 2012 Objectives**

- ❑ Establish competency models for 85 percent of NARA's positions.

#### **Results**

- ✓ We established competency models for numerous jobs throughout the agency including those in the Management and Program Analyst series, and various archival series.

*Discussion:* To ensure that NARA has the right skills it needs to meet organizational goals both now and in the future we are systematically examining NARA's occupations throughout the agency to identify the competencies required at all levels and using this as the groundwork to improve human capital functions. Competency models describe the set of skills, knowledge, and abilities necessary for successful performance in a given job. Well crafted competency models for jobs reduces legal exposure in hiring practices as well as improves the efficiency, consistency, and continuity across human resource functions. As competency requirements are identified, we use them as the basis for recruitment, selection, performance management, training, succession planning, and staff development.

In FY 2012, we successfully established competency models for various occupations within NARA. In addition to the competency models, we created competency based assessments such as interview guides and occupational questionnaires. We found that these tools facilitated faster turnaround of postings and helped to decrease the time-to-hire. We deployed OPM's Federal Competency Assessment Tool (FCAT-M) for managers and supervisors and for human resource specialists (FCAT-HR) to assist in assessing skills and identifying potential areas for future training and development. Competency modeling helps us to analyze current and future workforce competencies needed to achieve NARA's mission and strategic goals and help us identify, project, and close competency gaps for various NARA occupations.

<b>Performance Data</b>	2007	2008	2009	2010	2011	2012
<i>Performance target for percent of NARA's positions that have a competency model.</i>	–	–	–	–	–	85
Percent of NARA's positions with competency models.	–	–	–	–	–	63

*FY 2013 Performance Plan Evaluation* NARA will continue to develop competency modeling and will develop and administer training to close gaps. We will rollout an electronic individual development plan (eIDP) and mentor program to strategically address competency gap occurrences.

6.2 WORKFORCE DIVERSITY

**FY 2012 Objectives**

- ❑ Increase the percentage of employees in underrepresented groups relative to their representation in the CLF.
- ❑ Achieve 65 percent positive response rate in Annual Employee Survey (AES) questions referencing workforce diversity.

**Results**

- ✓ The percent of employees in 2 out of 7 underrepresented groups matched or exceeded their rate in the Civilian Labor Force.
- ✓ Fifty-six percent of NARA employees responded positively to workforce diversity questions on Annual Employee Survey.

*Discussion:* NARA strives to achieve a workforce that reflects the demographics of our nation's diverse workforce. This objective relates directly to a major goal in our Strategic Human Capital Plan, "Sustain a productive, diverse workforce and achieve results by valuing and recognizing performance in an environment in which all employees are encouraged to contribute." By promoting and valuing workforce diversity, we create a work environment where employees with a variety of experiences can contribute varied perspectives and viewpoints that can improve the planning and actions we take to achieve our mission and goals. In our underrepresented groups (i.e. Women, Black/African American, Latino/Hispanic, Asian, Native Hawaiian /Pacific Islander, American Indian/Alaskan Native, and persons with disabilities), we achieved an increase in one group – women; but all other groups remained stable or experienced slight decreases.

NARA's Diversity and Inclusion Strategic Plan and our annual Federal Equal Opportunity Recruitment Program (FEORP) Plan lay out the strategies that we pursue to enhance underrepresented groups at NARA. Some of our strategies include focusing on expanding partnerships with minority-serving universities, education associations, and professional organizations; attending and networking at minority conferences and job fairs; and using developmental assignments that provide on-the-job training. We welcomed 23 interns through our Summer Diversity Internship Program, a partnership that we have maintained since 2007 with the Hispanic Association of Colleges and Universities (HACU) and The Washington Center (TWC). Since the partnership's inception, more than 118 students have participated in the program. A new event that we hosted this year, "A Conversation with Top Hispanic Executives

in the Federal Government”, exposed interns to Federal Executives who shared their experiences about what led them to their careers in the Federal Government.

NARA participates in the annual, government-wide Employee Viewpoint Survey administered by OPM as part of their ongoing effort to assess and improve human capital management in the Federal Government. The survey is designed to measure Federal employees’ perceptions about how effectively agencies are managing their workforces. We analyze the responses to four specific questions that reference workforce diversity to determine employee perception. Analysis shows that NARA employees continually express dissatisfaction in the area of promoting diversity in the workplace. In FY 2012, our satisfaction rate was slightly more than 56 percent.

The Archivist is committed to develop and maintain a diverse and inclusive workplace. Our Diversity and Inclusion Strategic Plan documents strategies to cultivate a culture that encourages collaboration, flexibility and fairness. We are dedicated to developing structures and strategies to equip leaders with the ability to manage diversity and address diversity and inclusion challenges and opportunities. Although it may take several years to implement and recognize measurable changes within the agency, we have built upon the steps taken last year such as the addition of new critical elements added to the responsibilities of managers and supervisors to fully engage them in NARA’s diversity efforts. We continue to meet with NARA’s management team to establish a relationship for support of future efforts. Our *Internal Collaboration Network (ICN)* and *Declarations blog* are used to engage employees in diversity and inclusion efforts. In our Fort Worth records center, we are conducting a major pilot program to facilitate discussions on workplace issues and develop a sustainable action plan to address specific challenges. Changing employee perception of diversity at NARA will take time; however, we are committed to creating a better workplace culture at NARA.

<b>Performance Data</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Number of applicants.	4,690	5,559	6,362	6,803	10,015	7,592
Number of applicants in underrepresented groups.	1,744	2,515	2,811	852	122	194
Percent of applicants in underrepresented groups.	37	45	44	13	1	3
Number of qualified applicants.	2,857	3,099	3,735	4,027	7,638	1,622
Percent of qualified applicants in underrepresented groups.	42	52	48	15	1	12
Number of best qualified applicants.	1,001	1,533	1,643	1,488	1,501	18
Percent of best qualified applicants in underrepresented groups.	51	52	48	21	4	50
Number of applicants hired.	236	334	309	199	127	18
Percent of applicants hired in underrepresented groups.	50	49	57	37	24	50
<i>Percent of Civilian Labor Force rate used to determine if underrepresented groups met employment target.</i>	90	100	100	100	100	100

Underrepresented groups of employees meeting target (checkmark indicates target met or exceeded)						
– Women						✓
– Black	✓	✓	✓	✓	✓	✓
– Latino-Hispanic						
– Asian American						
– Hawaiian/Pacific Islander					✓	
– American Indian/Alaskan Native	✓	✓	✓	✓	✓	
– Targeted disability					✓	

*\*Note: FY 2012 data is calculated based on the Civilian Labor Force (CLF) targets whereas data prior to FY 2012 was based on Relative CLF targets. The calculation was changed to be aligned with the actual civilian labor force and not a subset.*

*FY 2013 Performance Plan Evaluation* Improving performance in hiring and promoting people in underrepresented groups is an ongoing effort to achieve a workforce reflective of the society in which we live. We will place more emphasis on working closely with all levels of NARA employees regarding awareness of diversity and inclusion efforts.

**6.3 RECRUITING EMPLOYEES**

**FY 2012 Objectives**

- ☑ 25 percent of NARA’s positions are filled within 80 days.
- ☑ Migrate to the Federal Personnel and Payroll System (FPPS).

**Results**

- ✓ We successfully filled more than 27 percent of positions within 80 days.
- ✓ We implemented the Federal Personnel and Payroll System (FPPS), an integrated personnel, payroll and timekeeping system.

*Discussion:* NARA’s Strategic Human Capital Plan lays out how we will manage our workforce both now and in the future to achieve NARA’s strategic goals and objectives. Understanding both long and short term organizational requirements assists in identifying the workforce requirements needed to perform the work. NARA’s ability to attract the best talent in a competitive market is enhanced by an effective hiring process. Proper workforce planning will decrease delays experienced when agency program offices need to commence, resume, or properly staff work vital to the agency’s mission. An effective hiring process, one that supports both the manager and the job seeker, mitigates the risk of lost opportunity, which happens when potential candidates accept positions elsewhere because of the lengthy hiring time. NARA is committed to meeting the goal set by the Office of Personnel Management to fill vacancies within 80 days. This 80-day process begins when the hiring manager receives approval to fill a vacancy and ends on the employee’s entrance on duty date.

NARA has instituted an automated staffing system to screen the hundreds of job applications received for each NARA posting. Implementation of the Federal Personnel and Payroll System (FPPS) eliminated our reliance on paper-based processing for routing personnel action requests, while enabling NARA offices to initiate and route approved electronic personnel actions online. We implemented metric driven performance standards at given stages throughout the 80-day hiring model process to improve performance. Individual specialists were assigned specific organizations to work with on recruit actions to improve communication and responsiveness to customer needs. Monitoring status of recruit actions in the recruitment process was also key to improvements in our process. Overall, these efforts to improve our hiring process proved successful and we exceeded our goal of 25 percent of NARA’s positions being filled within 80 days.

In April 2012, NARA migrated our personnel, payroll and timekeeping system from the General Services Administration’s Comprehensive Human Resources Information System (CHRIS) to a new Shared Service Center (SSC) hosted by the Department of the Interior (DOI) National Business Center (NBC). This new *Federal Personnel and Payroll System (FPPS)* and *Quicktime*, an integrated payroll and timekeeping system, provides us with an automated process that enables NARA offices to initiate, route, and approve electronic personnel actions online. Prior to deployment, NARA conducted an employee forum to inform staff of changes to expect with the new system. Both instructor-led and online training opportunities were held for timekeepers and staff. Post implementation upgrades to our telecommunications line improved performance and prepared us for future telecommunications needs when the agency moves to employee self-service timekeeping. Subject matter experts identified at each of our regional and Presidential Library facilities were identified to serve as resident experts for FPPS and Quicktime at each of the sites.

<b>Performance Data</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Number of applicants.	4,690	5,559	6,362	6,803	10,015	7,592
Number of applicants hired.	236	334	309	199	127	18
Average number of days to fill position.	–	–	–	152.2	144.0	109.4
<i>Performance target for percent of NARA’s positions filled within 80 days.</i>	–	–	–	30	40	25
Percent of NARA’s positions filled within 80 days.	–	–	–	12	10	27

*FY 2013 Performance Plan Evaluation* We will work to improve timekeeping policies that allow employees to take advantage of the technology available in Quicktime, a web-based time and attendance system.

**6.4 NONTRADITIONAL WORK ARRANGEMENTS**

**FY 2012 Objectives**  12 percent of NARA’s eligible staff participates in the telework program.

**Results**  Thirty-two percent of NARA’s eligible staff participates in the telework program.

*Discussion:* Non-traditional work arrangements enhance the quality of employee work life. In addition, telework opportunities often entice job seekers, helps retain talented staff, improves the productivity of our workforce, and helps us prepare for and cope with emergency situations. Barriers to telework eligibility range from positions that require working with classified materials

to working with IT security issues to responsibilities that require in-person contact. We issued a telework directive, incorporating requirements from the Telework Enhancement Act (TEA), which provides employees information about NARA’s telework program, informs them of employee eligibility requirements and training opportunities.

Obtaining management support and buy-in remains a challenge. Telework is a tool which affords the employee a balanced work life while also allowing both the agency and employee to accomplish the mission of the agency. Approaches to overcome management resistance are to conduct quarterly or semi-annual sessions that allow managers to address concerns or share accomplishments from their experiences with implementation of telework. Challenges with capturing telework data from the new FPPS have resulted in manual counting of telework participants. Improvements to this process will enable us to offer constructive intervention to offices that do not have reasonable telework participation rates.

<b>Performance Data</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Percent of NARA’s staff eligible to telework.	–	28	29	29
<i>Performance target for percent of NARA’s eligible staff in telework program.</i>	–	15	15	12
Percent of NARA’s eligible staff participating in the telework program.	–	16	23	32
Number of telework hours worked by NARA employees (in thousands).	–	63.7	112.6	74.1

*FY 2013 Performance Plan Evaluation* We will monitor the telework program for increased participation rates within NARA offices where staff meet eligibility requirements.

6.5 INFORMATION TECHNOLOGY

**FY 2012 Objectives**

- Public network applications are available 98.87 percent of the time.
- Develop a plan to host NARA e-mail through an approved cloud service provider.
- Implement wireless capability at remaining Presidential Libraries.

**Results**

- ✓ Public network applications are available 99.1 percent of the time.
- ✓ We completed plans to host NARA e-mail through an approved cloud service provider.
- ✓ All Presidential Libraries have wireless internet capability.

*Discussion:* We rely 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. Our public network applications availability exceeded our 98.87 percent target for FY 2012. 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. 24 hours a day and 7 days a week). System upgrades and scheduled maintenance do require us to take systems off-line; however, we target off-peak times to lessen the impact to our customers. Maintaining this level of efficiency requires monitoring of our resources and services to ensure optimal performance.

In FY 2012, we continued an ongoing effort to develop our technology infrastructure by investing in our network infrastructure and services. To maintain the performance and stability of our public network, we are continually performing system maintenance and implementing necessary upgrades. We are close to completing the implementation of the Domain Name Server (DNS) redesign. This infrastructure enhancement improves our network capability – creating a redundant, stable environment by reducing the potential effects of network failure. In FY 2012, we began implementation of the DNSSEC project. Upon completion of this project, NARA will comply with OMB mandates to better secure our DNS system and the publicly available applications they support.

In addition to supporting NARA's public network applications and ensuring their security, the successful implementation and deployment of many NARA initiatives is dependent upon a robust, reliable, stable, scalable, and high performing technology infrastructure. We also plan to implement the IPv6 project, to provide a more secure and scalable IP addressing scheme, while enabling access to public facing resources. It is still in its initial stages and has passed the initial test, but is pending engineering resources to move forward.

In FY 2012, we completed the planning process and awarded a contract to host NARA e-mail through an approved cloud service provider. Deployment efforts for the cloud email will begin in the first quarter of FY 2013. We will facilitate successful transitioning by ensuring that email migration efforts are carefully planned and all stakeholders are engaged in the process. We are committed to providing adequate end-user communication and training.

We continue to implement technology that provides our customers with more options to access our records, obtain information about our records, and do so more efficiently. All Presidential Libraries are now equipped with wireless internet capability.

<b>Performance Data</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Percent of public network availability.	100	100	100	100	99.8	92.5
<i>Performance target for percent availability of public applications.</i>	<i>98.80</i>	<i>98.83</i>	<i>98.84</i>	<i>98.85</i>	<i>98.86</i>	<i>98.87</i>
Percent of public network applications availability.	99.4	99.5	99.5	99.7	99.5	99.1
Number of total hours that any public network application was unavailable.	504	424	414	305	459	780
Percent of customers highly satisfied with NARA helpdesk services (average for year).	65	83	87	87	83	83

*FY 2013 Performance Plan Evaluation* We will continue expanding our technological infrastructure by finishing the implementation of the DNS redesign and DNSSEC projects. We will also continue to maintain our public facing applications through proactive scheduling of

maintenance windows, increased redundancy of infrastructure to better support publicly available applications, and transitioning to cloud services for critical systems.

## FY 2012 PROGRAM EVALUATIONS

### ***Strategic Goal 1: Records Management***

Office of Inspector General, OIG Report 12-02, *Audit of the Management of Records at the Washington National Records Center*, November 3, 2011

The objective of this audit was to evaluate and assess the adequacy of controls over the management and handling of records at WNRC. Specifically, this audit focused on whether controls were in place to adequately safeguard and secure the records held at WNRC. There are 14 recommendations associated with this report, all of which remain open.

Office of Inspector General, OIG Report 12-05, *Audit of the Management of Records at the Washington National Records Center*, March 27, 2012

The objective of this audit was to evaluate and assess the adequacy of controls over the management and handling of records at WNRC. The audit focused on the handling and management of unclassified and classified records. There are 12 recommendation associated with this report, all of which remain open.

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

Office of Inspector General, OIG Advisory Report 12-04, *Inadequate Contingency Planning Continues to be a Significant Risk for the Electronic Records Archives System*, January 30, 2012

This Advisory Report is to advise the Archivist that two issues previously reported (system backups and an alternate backup site) have not been addressed.

Office of Inspector General, OIG Report 12-06, *Management Letter: Access to Records in the Base Electronic Records Archive*, February 21, 2012

This management letter is to bring to the Archivist's attention conditions that impact NARA's ability to provide access to records through ERA. There are no recommendations associated with this management letter.

Office of Inspector General, OIG Report 12-08, *Advisory Report: NARA's Reliance on Legacy Systems to Meet Electronic Records Mission Needs*, March 30, 2012

This advisory report is to inform the Deputy Archivist of NARA's continued reliance on outdated legacy systems to fulfill its mission as it relates to electronic records at considerable cost to the agency. There are no recommendations associated with this advisory report.

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

Office of Inspector General, Management Letter 12-01, *Network Outage*, October 13, 2011

This management letter is to advise the Archivist of two separate issues discovered as a result of the internet outage on September 13, 2011. There are no specific recommendations associated with this management letter.

Office of Inspector General, OIG Report 12-07, *Audit Memorandum: Audit of NARA's Compliance with the Improper Payment Elimination and Recovery Act of 2010*, February 23, 2012

The OIG concluded that our work in determining that programs and activities were not susceptible to significant improper payments and our analysis in determining no recapture payment audits were needed appears to be sufficient and reasonable. As a result of this review, the OIG believes that NARA is in compliance with the Act as amended. There are no findings associated with this report.

Office of Inspector General, OIG Report 12-09, *Audit of the Data Center Consolidation Effort at NARA*, May 10, 2012

The objective of this audit was to assess NARA's progress in meeting its consolidation objectives for consolidating its data centers. There are six recommendations in the report, all of which remain open.

Office of Inspector General, OIG Report 12-12, *Audit of NARA's Parking Program*, June 5, 2012

The overall objective of this audit was to determine whether NARA's new parking system, as well as NARA's parking program as a whole, met the needs of NARA requirements. The objective also included a determination as to whether the controls over the parking system and overall parking program were effective. The OIG placed particular emphasis on NARA's new parking system, the License Plate Recognition system. There are nine recommendations associated with this audit, all of which remain open.

Office of Inspector General, OIG Report 12-15, *Audit of NARA's Classified Systems*, July 23, 2012

The objective of this audit was to assess NARA's current and planned network architecture and design and provide recommendations to improve performance, security, and efficiency of the network. There are 51 recommendations associated with this audit, all of which remain open.

Office of Inspector General, OIG Report 12-16, *Management Letter: Contractor Oversight*, September 28, 2012

This management letter informs the Archivist of additional observations identified during an FY 2011 review of costs for Lockheed Martin Corporation subcontracts. There are no recommendations associated with this management letter.

Office of Inspector General, *OIG Report 12-17, Audit of NARA's Public Transit Subsidy Program*, August 27, 2012

The objective of this audit was to determine the adequacy of internal controls over the administration of the NARA Public Transit Subsidy Program. Specifically, the OIG review focused on whether transit controls identified by OMB were adequately implemented by NARA. There are nine recommendations associated with this report, all of which remain open.

Office of Inspector General, *OIG Report 12-18, Management Letter: Veterans' Records Issues*, July 30, 2012

This management letter is to advise the Archivist regarding observations made in the course of an investigation in St Louis. There are no recommendations associated with the management letter.

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

Office of Inspector General, *OIG Report 12-03, Cotton & Company, Independent Auditor's Report on Internal Control*, December 15, 2011.

The Inspector General contracted with Cotton & Company to conduct an audit of NARA's FY 2011 financial statements. There are four recommendations associated with this audit, all of which remain open, as well as several pending from prior year reports.

Office of Inspector General, *OIG Report 12-10, Follow up Review of OIG Report 08-01: Audit of the Process of Safeguarding and Accounting for Presidential Library Artifacts*, September 13, 2012

The primary objective of the audit was to follow-up on NARA's efforts to implement the five recommendations contained in OIG Audit Report 08-01, *Audit of the Process of Safeguarding and Accounting for Presidential Library Artifacts*, to determine whether actions taken by management resulted in a sufficient management control environment to safeguard and account for library artifacts. There are eight recommendations associated with this audit, all of which remain open.

Office of Inspector General, *OIG Report 12-14, Audit of NARA's Office of Government Information Services*, September 11, 2012

The objective of this audit was to determine whether NARA's Office of Government Information Services (OGIS) was adequately established and was meeting the intent for which it was established. There are two recommendations associated with this audit, both of which remain open.

Government Accountability Office, *GAO-12-752, Freedom of Information Act: Key Website is Generally Reliable, but Action is Needed to Ensure Completeness of its Reports*, June 2012

The objectives of this audit were to determine (1) the origin of the data on FOIA.gov and

how reliable are the data, and (2) the action being taken to improve FOIA.gov and develop additional capabilities. There are no recommendations directed to NARA in this audit.

Government Accountability Office, GAO-12-828, *Freedom of Information Act: Additional Actions Can Strengthen Agency Efforts to Improve Management*, July 2012

The objectives of this audit were to determine (1) actions agencies have taken to manage their FOIA programs, including reducing backlogs and use of exemptions, pursuant to the Attorney General's 2009 FOIA guidelines, and what have been the results of these actions (2) actions agencies have taken to make records available to the public by electronic means, pursuant to the e-FOIA amendments of 1996, and (3) to what extent have agencies implemented technology to support FOIA processing? There are no recommendations directed to NARA in this audit.

Government Accountability Office, GAO-12-782, *Electronic Government Act: Agencies Have Implemented Most Provisions, but Key Areas of Attention Remain*, September, 2012

For selected Title I and II sections of the Act, the objectives of this audit were to determine (1) assess OMB's and agencies' efforts to fulfill the Act's requirements to establish leadership and organizational responsibilities, and (2) evaluate agencies progress in meeting the Act's requirements to enhance public access to government information and services. There are no recommendations directed to NARA in this audit.

Business Support Services, Security Management Division, *Physical Security and Life Safety Inspection*, October 21, 2011

The office conducted an inspection at the William Jefferson Clinton Presidential Library in Little Rock, AR. The inspection resulted in 14 findings, six of which remain open.

Business Support Services, Security Management Division, *Physical Security and Life Safety Inspection*, February 2012

The office conducted an inspection at the Washington National Records Center in Suitland, MD. The inspection resulted in 17 findings, 14 of which remain open.

Business Support Services, Security Management Division, *Physical Security and Life Safety Inspection*, March 2012

The office conducted an inspection at the Richard Nixon Presidential Library in Yorba Linda, CA. The review resulted in five findings total, four of which remain open.

Business Support Services, Security Management Division, *Physical Security and Life Safety Inspection*, March 2012

The office conducted an inspection at the National Archive Building at College Park, MD. The inspection resulted in 11 findings, some of which are repeated from the 2008 review.

Business Support Services, Security Management Division, *Physical Security and Life Safety Inspection*, April 2012

The office conducted an inspection at the Riverside Records Center, Riverside, CA. The inspection resulted in two findings, both of which remain open.

Business Support Services, Security Management Division, *Physical Security and Life Safety Inspection*, April 2012

The office conducted an inspection at the Harry S. Truman Presidential Library in Independence, MO. The review resulted in seven findings total, four of which remain open

Business Support Services, Security Management Division, *Physical Security and Life Safety Inspection*, April 2012

The office conducted an inspection at the Federal Register and Office of Government Information Services (OGIS) in Washington DC. The inspection resulted in one finding, which remains open.

Business Support Services, Security Management Division, *Physical Security and Life Safety Inspection*, May 2012

The office conducted an inspection at the Ellenwood Records Center, Ellenwood GA. There are no findings associated with this review.

Business Support Services, Security Management Division, *Physical Security and Life Safety Inspection*, May 2012

The office conducted an inspection at the Morrow Archives in Morrow GA. There are no findings associated with this review.

Office of Presidential Libraries, *Program Review*, July 2012

The office conducted a program review of the William Jefferson Clinton Presidential Library in Little Rock, AR. The findings have not been finalized.

## **Federal Records Management Evaluations**

Under 44 U.S.C 2904(c)(8), the Archivist of the United States is required to report to Congress and the Office of Management and Budget (OMB) annually on the results of records management activities. NARA fulfills this requirement through the Performance and Accountability Report. This report focuses on NARA's activities related to records management oversight of Federal agencies; records management training; identifying, scheduling, and transferring electronic records to NARA; and reporting on allegations of unauthorized disposal or removal of Federal records. We also recognized the two agencies that received special awards for effective records management at NARA's Records Administration Conference (RACO) in September 2012.

### ***Records Management Oversight***

At the end of FY 2011, we established the Records Management Oversight Section of the Policy Analysis and Enforcement Division of the Office of the Chief Records Officer. Major activities included administering the annual Agency Records Management Self-Assessment and conducting two records management inspections.

### ***Agency Records Management Self-Assessments***

The annual Agency Records Management Self-Assessment has proven to be an effective way for us to gather information from Federal agencies and give feedback they can use to improve their programs. The goal of the records management self-assessment is to measure how effective Federal agencies are in meeting the statutory and regulatory requirements for records management. The self-assessment gathers data about agencies' records management policies and practices and compliance with federal records management regulations and NARA guidance.

In June 2012, we issued the fourth annual records management self-assessment. We distributed the self-assessment to 281 Federal agencies and received 240 responses for a response rate of 85 percent. This year's self-assessment focused on basic core questions only. We discovered through the three prior assessments that a scored special focus section skewed the scores depending on the topics. This made it difficult for Federal agencies to measure progress. The results of the 2012 assessment will give respondents a baseline score for the first time. We conducted extensive validation of agencies responses to 9 questions by requesting documentation. This documentation was measured by a pre-set criterion. The report on the FY 2012 self-assessment will be published in early 2013.

The first two self-assessments were conducted in FY 2010 (one in October 2009, the other in May 2010). The third self-assessment was conducted in May 2011. The report for the third assessment was published in May 2012. With each subsequent self-assessment we continue to improve the quality of the questions based on results and feedback from responders. The reports from three previous assessments can be found at <http://www.archives.gov/records-mgmt/pdf/rm-self-assessment.pdf>.

### ***Records Management Inspections***

Under 44 U.S.C 2904(c)(7) and 2906, NARA is authorized to inspect the records management programs of Federal agencies for the purpose of recommending improvements. NARA currently inspects a limited number of agencies annually, targeting highly significant aspects of the agency's records management program.

In 2012, NARA completed inspections of two agencies each with a particular focus: the National Geospatial-Intelligence Agency (NGA) Management of Electronic Records and the National Aeronautics and Space Administration (NASA). NARA's inspection reports for each agency, including findings and recommendations will be finalized in FY 2013. NARA's inspection reports for previous inspections from FY 2011 are available at: <http://www.archives.gov/records-mgmt/resources/inspections.html>.

### ***NGA Inspection***

The NGA inspection is the second phase of an inspection started in FY 2011. Phase I focused on the transfer of permanent hard copy map products from NGA to the physical and legal custody of NARA. Phase II focused on the transfer of electronic copy of the same map products. The inspection also continued the review of NGA's records management program, particularly as it operates within the Directorates responsible for developing map products and incorporation of Records Management into a metadata standard and the approval and design phases of digital information systems.

During the second quarter of FY 2012, NGA submitted the Action Plan to address the recommendations from Phase I. The RM Oversight Section has been receiving quarterly updates from NGA on their progress working through the Action Plan. The report and recommendations for Phase II will be finalized in second quarter of FY 2013.

### ***NASA Inspection***

The purpose of this inspection was to verify that NASA's processes for shutting down a major program was sufficient to ensure that records documenting the Space Shuttle Program (SSP) were adequate to capture the historically valuable record material.

The main aspects of the inspection included: a review of potential risks to records due in part to storage issues and the transitioning of NASA personnel and contractors out of the program; a review of a Recordation agreement as part of the SSP close out with the National Park Service, Library of Congress, and other parties for a process to incorporate shuttle records including technical documentation into an educational resource; an investigation into delays to the transfer of permanent records to NARA custodial units of a significant portion of shuttle records subject to export control regulations; and a technical assessment of NASA's agency records schedule, known as the NASA Records Retention Schedule (NRRS).

The inspection team made 14 recommendations for changes that are under review by NASA at this time. These recommendations are designed to improve not only the shuttle close out but current and future NASA programs. The inspection report will be finalized in the first quarter of FY 2013.

### ***Presidential Memorandum and Directive on Managing Government Records***

In his November 28, 2011, Memorandum on Managing Government Records (<http://www.whitehouse.gov/the-press-office/2011/11/28/presidential-memorandum-managing-government-records>), President Obama stated "...proper records management is the backbone of open Government." The Memorandum began an executive branch-wide effort to reform records management policies and required that the Director of the Office of Management

and Budget (OMB) and the Archivist of the United States issue a Records Management Directive which focused on:

- Creating a Government wide records management framework that is more efficient and cost effective
- Promoting records management policies and practices that enhance the capability of agencies to fulfill their statutory missions
- Maintaining accountability through documentation of agency actions
- Increasing open Government and appropriate access to Government records
- Supporting agency compliance with applicable legal requirements related to the preservation of information relevant to litigation; and
- Transitioning from paper-based records management to electronic records management where feasible.

Agencies were to initially designate Senior Agency Officials [SAOs] (by December 28, 2011) and then report to NARA within 120 days (by March 27, 2012) on the state of records management at Federal agencies. After reviewing and analyzing the agency reports, NARA was then required to:

- Develop a Directive directing agencies to take specific steps to reform and improve RM policies and practices (by July 31, 2012); and
- In coordination with the Associate Attorney General, draft a Report to the President recommending updates to laws, regulations, and policies governing the management of Federal records (by July 31, 2012).

In support of these two deliverables, NARA conducted a wide range of outreach activities that included the following:

- Facilitated two sessions in early 2012 with agencies SAOs and records officers to allow them to share ideas with each other.
- Launched a social media tool (IdeaScale) to enlist suggestions for improvements from vendors and the public. Over 100 registered users and over 30 ideas posted on the Site.
- Held a public meeting at the National Archives Building to solicit comments from the public on the Presidential Memorandum. Approximately 100 attendees representing agencies, contractors, and vendors attended the meeting.
- Met with leaders of special interest groups and associations (i.e., ARMA, NAGARA, SAA) to obtain feedback for the Directive.
- Discussed the Memorandum and the Directive at numerous conferences and events including SAA, ARMA (national conference and multiple local chapter events), FOSE, NAGARA, and RACO.

NARA delivered the Managing Government Records Directive and the Report to the President to OMB in early July 2012. The Directive was subsequently sent out for Government-wide review and comment adjudication. The Managing Government Records Directive (OMB M-12-18) was jointly issued by the Archivist and the Acting Director of OMB on August 24, 2012.

Following the release of the Directive, we established a Project Management Office to manage the many action items associated with Directive.

**OMB/NARA Directive on Managing Government Records**

The Managing Government Records Directive

(<http://www.whitehouse.gov/sites/default/files/omb/memoranda/2012/m-12-18.pdf>)

consists of two parts. Part 1 contains the following two central goals that Federal Agencies shall work toward:

- *Goal #1: Require electronic recordkeeping to ensure transparency, efficiency, and accountability.*  
 Agencies must meet the following targets in support of this goal:
  - By 2019, agencies manage all permanent electronic records in electronic formats
  - By 2016, agencies manage permanent and temporary email in accessible, electronic format
  
- *Goal #2: Demonstrate compliance with Federal records management statutes and regulations.*  
 Agencies must meet the following requirements in support of this goal:
  - Agencies must designate Senior Agency Official (SAO) to work with Agency Records Officer (ARO) to ensure compliance
  - SAO/ARO work to identify legacy permanent records and schedule records
  - ARO must obtain NARA Certificate of Federal Records Management Training
  - Agencies Establish RM Training for Staff

Part II of the Directive provides a list of actions that NARA and other agencies (OMB and OPM) will take to assist agencies in meeting the two central goals. The actions and dates are provided in the Table below.

Completion Date	Action Item
November 15, 2012	Each agency will designate its Senior Agency Official (SAO) to oversee review of records management program.
December 31, 2012	The Archivist will convene the first of periodic meetings with SAOs to review agency progress implementing the Directive. <i>*already scheduled for November 28, 2012.</i>
October 1, 2013	SAOs will complete their annual report according to NARA's template and send it to the Chief Records Officer for the U.S. Government.
December 31, 2013	The SAO will ensure all permanent records are identified for transfer and reported to NARA.
December 31, 2013	NARA will complete, and make available, revised guidance, including metadata requirements, for transferring permanent

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Completion Date	Action Item
	electronic records, to include additional sustainable formats commonly used to meet agency business needs.
December 31, 2013	NARA (working with the CIO Council and the Federal Records Council) will produce a comprehensive plan in collaboration with its stakeholders to describe suitable approaches for the automated management of email, social media, and other types of digital record content, including advanced search techniques.
December 31, 2013	NARA will issue new guidance that describes methods for managing, disposing, and transferring email.
December 31, 2013	NARA will incorporate into existing reporting requirements an annual agency update on new cloud initiatives, including a description of how each new initiative meets Federal Records Act obligations and the goals outlined in this Directive.
December 31, 2013	NARA will determine the feasibility of establishing a secure cloud-based service to store and manage unclassified electronic records on behalf of agencies.
December 31, 2013	NARA, in cooperation with the Federal Chief Information Officers Council, the Federal Records Council, and other Government-wide councils that express interest, will establish a Community of Interest (COI) to bring together leaders from the information technology, legal counsel, and records management communities to solve specific records management challenges.
December 31, 2013	OPM will establish a formal records management occupational series to elevate records management roles, responsibilities, and skill sets for agency records officers and other records professionals.
December 31, 2013	NARA will identify a government-wide analytical tool to evaluate the effectiveness of records management programs.
December 31, 2014	The designated Agency Records Officer for each agency must hold the NARA certificate of Federal Records Management Training.
December 31, 2014	All Federal agencies must establish a method to inform all employees of their records management responsibilities in law and policy, and develop suitable records management training for appropriate staff.
December 31, 2015	NARA will improve the current Request for Records Disposition Authority process.
December 31, 2017	NARA, in consultation with appropriate oversight agencies, will make substantive changes to the General Records Schedules (GRS).
By the next revision of OMB Circular A-130	OMB will update A-130 to explicitly require that agencies must incorporate records management requirements when moving to cloud-based services or storage solutions.

### ***Records Management Training***

NARA's National Records Management Training Program sponsors the annual Records Administration Conference (RACO), a free of charge, half-day meeting for Federal records officers, records management professionals, information managers and information technology professionals with an interest in Federal records and information management. As part of this conference, the Archivist of the United States, David S. Ferriero presents Archivist Achievement Awards to selected agencies that have demonstrated best practices in records management. The award winners for 2012 were the U.S. Department of State, Records and Archives Management Division, and the U.S. Department of the Treasury, Office of Privacy, Transparency, and Records.

The Department of State received the award for their development of the Retired Records Inventory Management System (RIMS), which helps track retired records world-wide. The Department of the Treasury received the award for the establishment and ongoing support of Records and Information Management Month (RIMM), which brings records management advocacy and education not just to the Department of Treasury, but to agencies across the Federal Government.

The National Records Management Training Program also provides formal records management training for Agency records professionals across the country. While the majority of this training is conducted face-to-face in classrooms, NARA is focusing its efforts on developing more online training to meet the needs of our national customers. This training includes content supporting the Certificate in Federal Records Management, which is mentioned above as a requirement in the OMB/NARA Directive on Managing Government Records.

### ***Electronic Records Scheduled***

In FY 2012, 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 even though the September 30, 2009, deadline established by NARA in accordance with the Act has passed. NARA's continuing efforts to monitor agency electronic record scheduling progress (as described in NARA Bulletin 2010-02) 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.

In FY 2012, NARA continued to provide support to agencies to help them schedule their electronic records. For FY 2012, NARA set a goal to work with Federal agencies to schedule 1,134 electronic records series and electronic systems from the following CFO Act agencies and their components and bureaus. Additionally, as part of the FY 2012 deployment of NARA's Electronic Records Archives (ERA) system, NARA required these agencies to use ERA to submit their records schedules to NARA:

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

As of September 30, 2012, NARA reached 37 percent of this goal, and approved schedules for 418 electronic systems and series of records. Of these systems and series approved by NARA, 25 percent of the total covered permanently valuable records that will be transferred to NARA. In large measure, the reason we did not meet the planned goal of approving 1,134 electronic series and systems has to do with a major effort undertaken by the records appraisal staff to reduce the existing records scheduling backlog, which is described in more detail below.

NARA will continue to advocate for the scheduling of electronic records, including requesting data from agencies on their scheduling efforts consistent with NARA Bulletin 2010-02. As of the date of this report, we are in the process of reviewing submissions from agencies to determine where follow up or supplemental information is needed. NARA views electronic record scheduling as an ongoing activity and we will continue to provide oversight, guidance, and training to ensure that all Federal agencies are compliant with the requirements in NARA Bulletins and the E-Government Act.

### ***Records Scheduling Backlog Project***

In early FY 2012, NARA took specific actions to identify record schedules that had been submitted more than two years prior (FY 2009 and earlier) that could be quickly closed out or withdrawn. In the 3<sup>rd</sup> quarter NARA launched an initiative to focus on completing the remaining backlog schedules. This effort included the entire appraisal staff and was conducted in response to a Government Accountability Office report (GAO-11-15) that highlighted the risks of bringing in more schedules than NARA could process due to successful promotion of records scheduling. Increasing efforts to reduce the existing backlog and developing strategies for proactive backlog prevention will allow NARA to minimize the risk of being overwhelmed by agency schedule submissions.

The initiative began in May 2012, using a database to track backlog schedule progress in detail, as well as collect data on reasons why a schedule was not completed within 2 years. NARA announced the initiative to agencies through meetings and communications. Agencies were responsive to quickly turning around requests for information and scheduling appraisal meetings with program offices. The backlog was reduced 40 percent prior to the start of the initiative, and by the end of the fiscal year, 85 percent of the backlog schedules were closed. The initiative created momentum for schedules due to become backlog in FY 2013 resulting in a backlog of less than half that of FY 2012.

Reducing the records scheduling backlog will be an ongoing project. NARA's goal is to reduce the number of schedules that become backlog each fiscal year. In order to achieve this goal, only those schedules which meet the minimum requirements for registration per 36 CFR 1225 will be accepted. Use of NARA's Electronic Records Archives (ERA) system for records scheduling is mandatory for all agencies beginning in FY 2013. The structured form for schedules in that

system will assist agencies in submitting schedules containing the information required by the regulations. NARA will remind agencies of schedule requirements and the timeline for appraisal and processing of records schedules, and will increase enforcement of our own procedures for withdrawing schedules when agencies are non-responsive, or an outside event prevents them from being responsive in a timely manner (40 days).

For FY 2013, NARA will continue prioritizing those schedules that are or will become backlog in the next fiscal year, and will track those record schedules more closely to facilitate their completion before the end of the fiscal year. NARA will continue to partner with agencies to prioritize schedules and to increase the number of schedules completed within 2 years.

***Electronic Records Transferred to NARA***

In FY 2012, NARA registered 217 transfers of permanent electronic records from 54 separate agencies, plus one transfer of electronic donated historical materials. The table below lists the agencies that have transferred electronic records to the National Archives for permanent preservation in FY 2012.

Agency	Number of Transfers Received FY 2012
Administration for Children and Families	2
Agency for Health Care Research and Quality	2
Agricultural Marketing Service	4
Alcohol, Drug Abuse, and Mental Health Administration	2
Army Commands - 1 transfer Army Staff -- 1 transfer Bureau of Export Administration - 1 transfer Bureau of Labor Statistics	1
Bureau of Naval Personnel	7
Bureau of Public Debt	1
Bureau of Reclamation	6
Census, Bureau of the	12
Centers for Disease Control and Prevention	10
Centers for Medicare and Medicaid Services	2
Central Command	3
Citizenship and Immigration Services, U. S.	2
Consumer Product Safety Commission	1
Cooperative State Research, Education and Extension Service	2
Defense, Office of the Secretary of	5
Department of Justice	2
Department of Veterans Affairs	5
Education, Department of	7

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<b>Agency</b>	<b>Number of Transfers Received FY 2012</b>
Energy, Department of	1
Environmental Protection Agency	4
Equal Employment Opportunity Commission	3
FBI	24
Federal Aviation Administration	3
Federal Communications Commission	1
Federal Highway Administration	9
Federal Railroad Administration	1
Federal Reserve System	13
Fish and Wildlife Service	2
Food and Drug Administration	2
Foreign Agriculture Service	2
Health Resources and Services Administration	1
Mine Safety and Health Administration	1
National Aeronautics and Space Administration	27
National Agricultural Statistics Service	8
National Drug Intelligence Center	1
National Geospatial - Intelligence Agency	7
National Mediation Board	2
National Oceanic and Atmospheric Administration	1
National Park Service	2
National Science Foundation	1
National Technical Information Service	1
Navy, Department of	8
Office of the Comptroller of the Currency	1
Parole Commission, U.S.	1
Peace Corps	2
Secret Service, U.S.	1
Securities and Exchange Commission	1
Small Business Administration	1
Temporary Committees, Commissions and Boards	5
USGS	1
<b>TOTAL</b>	<b>217</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 2012 cases are as follows:

Open cases, start of FY 2012: 33  
 Cases opened in FY 2012: 21  
 Cases closed in FY 2012: 16  
 Open cases, end of FY 2012: 38

Of the 38 cases open at the end of FY 2012, ten cases are involved in ongoing litigation and four cases are under investigation by the agency. NARA monitors the status of these cases and is not reporting them here. Table 1 lists the 24 cases that are open and are pending action by the agency or review by NARA. Table 2 lists the 16 cases closed in FY 2012.

**Table 1: Open cases pending agency action or NARA review**

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	Pending agency response or follow-up
March 1999	<b>Dept. of Interior,</b> Bureau of Indian Affairs	Records of Crow Agency, Montana	Pending agency response or follow-up
July 2007	<b>Federal Labor Relations Authority</b>	Records of FLRA Chair	Pending agency response or follow-up
April 2008	<b>Dept. of Defense,</b> Office of Secretary of Defense	Video recordings of interrogations	Pending agency response or follow-up
May 2008	<b>Dept. of Defense,</b> Defense Intelligence Agency	Video recordings of interrogations of terrorism suspect	Pending agency response or follow-up
December 2008	<b>Dept. of Defense,</b> Office of the Secretary of Defense	Documents relating to torture issue	Pending agency response or follow-up
November 2009	<b>Dept. of Defense,</b> Office of Secretary of Defense	E-mail and electronic records of Coalition Provisional Authority, Iraq	Pending agency response or follow-up
March 2010	<b>Dept. of Interior,</b> Bureau of Indian Affairs, Office of the Special Trustee for American Indians	Records at agency locations in western U. S.	Pending agency response or follow-up
June 2010	<b>Securities and Exchange Commission</b>	Matter Under Inquiry files	Pending agency response or follow-up
December 2010	<b>Dept. of Energy</b>	Oil shale research records	Pending NARA review

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<b>Case Opened</b>	<b>Agency</b>	<b>Records</b>	<b>Status</b>
February 2011	<b>Dept. of Health and Human Services</b>	E-mail of the Secretary	Pending NARA review
April 2011	<b>Dept. of Energy</b>	Records relating to Yucca Mountain site	Pending agency response or follow-up
April 2011	<b>Dept. of Homeland Security</b>	Water-damaged records of Office of Intelligence & Analysis	Pending agency response or follow-up
April 2011	<b>Dept. of Homeland Security, Federal Emergency Management Agency</b>	Remedial Action Management Program records	Pending agency response or follow-up
September 2011	<b>Securities and Exchange Commission</b>	Investigative case files	Pending NARA review
October 2011	<b>Dept. of Interior</b>	Records on registration of aliens in Northern Mariana Islands	Pending agency response or follow-up
October 2011	<b>Office of Personnel Management</b>	Electronic records relating to USAStaffing system	Pending agency response or follow-up
December 2011	<b>Dept. of Defense, Joint Staff</b>	Emails of Lt. General Stanley McChrystal	Pending agency response or follow-up
June 2012	<b>Dept. of Agriculture, Farm Service Agency</b>	Records destroyed by fire in Oregon office	Pending agency response or follow-up
July 2012	<b>Peace Corps</b>	Records from overseas post in Mauritania	Pending agency response or follow-up
September 2012	<b>Dept. of Air Force</b>	Mental health record at Kirtland AFB	Pending NARA review
September 2012	<b>Dept. of Defense, U.S. Central Command</b>	Records of fuel supply and delivery in Afghanistan	Pending agency response or follow-up
September 2012	<b>Dept. of Energy</b>	Use of personal email for official business	Pending agency response or follow-up
September 2012	<b>Dept. of Homeland Security, U.S. Citizenship and Immigration Services</b>	Duplicate original naturalization record	Pending agency response or follow-up

Table 2 covers cases of alleged unauthorized disposition closed in FY 2012. The table specifies those allegations that are founded, for which the agency takes corrective action to prevent additional unauthorized dispositions.

**Table 2: Cases closed in FY 2012**

<b>Case Opened</b>	<b>Agency</b>	<b>Records</b>	<b>Resolution</b>
February 2009	<b>Dept. of Homeland Security</b>	Hard copies of Secretary's briefing books	Allegation founded - corrective action taken
August 2009	<b>Federal Trade Commission</b>	Consumer complaint letters	Allegation not founded
November 2009	<b>Dept. of Veterans Affairs</b>	Records destroyed by flood	Allegation not founded
August 2010	<b>Dept. of Interior</b> , Bureau of Indian Affairs, Office of the Special Trustee for American Indians	Records in agency facility in Albuquerque, NM	Allegation founded - corrective action taken
October 2010	<b>Dept. of Labor</b> , Bureau of Labor Statistics	LabStat electronic records	Allegation founded - corrective action taken
August 2011	<b>Dept. of Justice</b> , Executive Office for U.S. Attorneys	U.S. Attorney subject files	Allegation founded - corrective action taken
November 2011	<b>Dept. of Agriculture</b> , Forest Service	Alienation of records to a private organization	Allegation not founded
November 2011	<b>Peace Corps</b>	Financial disclosure forms	Allegation founded - corrective action taken
December 2011	<b>Dept. of Agriculture</b> , Forest Service	Wallowa Management Office records	Allegation founded - corrective action taken
January 2012	<b>Dept. of Health and Human Services</b> , Food and Drug Administration	E-mails relating to U.S. heparin supply	Allegation founded - corrective action taken
February 2012	<b>Dept. of Transportation</b> , Federal Aviation Administration	Enforcement investigative reports	Allegation founded - corrective action taken
April 2012	<b>Dept. of State</b>	Passport and citizenship case files	Allegation founded - corrective action taken
May 2012	<b>Dept. of Justice</b>	Civil rights complaint records	Allegation not founded
May 2012	<b>Dept. of Veterans Affairs</b>	Administrative Investigative Board case file	Allegation founded - corrective action taken
June 2012	<b>Dept. of Labor</b>	Office of Federal Contract Compliance Programs records	Allegation founded - corrective action taken
August 2012	<b>Dept. of Air Force</b>	Fuel product records	Allegation founded - corrective action taken

## Definitions

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

<b>Goal 1</b>		<b>Our Nation's Record Keeper</b>
Federal agency reference request		A request by a Federal agency to a records center requesting the retrieval of agency records.
<b>Goal 2</b>		<b>Preserve and Process</b>
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 Program review		An evaluation by the Information Security Oversight Office (ISOO) 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 13526. 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 or the application of file series exemptions approved by the Interagency Security Classification Appeals Panel (ISCAP). The results of a declassification program review, along with any appropriate recommendations for improvement, are reported to the designated agency senior official for Executive Order 13526.
Equity-holding agency		An agency that may have classified information in a document, whether or not it created the document. Without providing a waiver for the declassification of its equities, only the equity-holding agency can declassify information in the document.
<b>Goal 3</b>		<b>Electronic Records</b>
Gigabyte		An International System of Units (SI) standard unit. A measure of computer data size. A gigabyte is one thousand megabytes, 1,000 <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)		An International System of Units (SI) standard unit. A measure of computer data size. A megabyte is one million bytes, 1,000 <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)

An International System of Units (SI) standard unit. A measure of computer data size. A terabyte is one million megabytes, 1,000<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

Born digital 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

NARANET is the primary general support system of NARA, providing standard desktop applications, email and calendaring functions, network transport and Internet access to NARA staff and support personnel.

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/African American, Latino-Hispanic, Asian, Native Hawaiian/Pacific Islander, and American Indian/Alaskan Native); Women; Persons with Disabilities.



## SECTION 3

# FINANCIAL SECTION

## A Message from the Chief Financial Officer



The National Archives and Records Administration has received an unqualified “clean” audit opinion on its FY 2012 financial statements. I am happy to report that this year’s audit opinion resolves the material weakness over financial reporting that was included in NARA’s FY 2011 audit report.

During the course of FY 2012, NARA financial management staff dedicated significant effort to addressing the conditions that led to last year’s material weakness and enhancing internal controls over financial reporting. It is to their credit that NARA has removed the material weakness for FY 2012. It is worth noting that the FY 2011 material weakness was the result of erroneous financial reporting in FY 2010; that error was corrected with a restatement in FY 2011 and does not carry-forward into the FY 2011 and 2012 financial statements.

I can provide reasonable assurance that the objectives of section 2 of the Federal Managers’ Financial Integrity Act have been achieved. I am confident that NARA’s improved internal controls will ensure the integrity and reliability of NARA financial reports going forward.

A handwritten signature in black ink, appearing to read "Micah M. Cheatham". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Micah M. Cheatham  
Chief Financial Officer

## Financial Statements and Auditor's Report

### Principal Statements

#### Consolidated Balance Sheet As of September 30, 2012 and 2011 (in thousands)

	<u>2012</u>	<u>2011</u>
<b>Assets</b>		
Intragovernmental		
Fund balance with Treasury (Note 2)	\$ 217,600	\$ 240,713
Investments (Note 3)	14,525	9,204
Accounts receivable (Note 4)	15,130	14,350
Total intragovernmental	<u>247,255</u>	<u>264,267</u>
Cash	52	54
Investments (Note 3)	31,558	27,954
Accounts receivable, net (Note 4)	373	512
Inventory, net (Note 5)	1,055	1,029
General property, plant and equipment, net (Note 6)	378,001	452,780
Deferred Assets	651	710
<b>Total assets</b>	<b><u>\$ 658,945</u></b>	<b><u>\$ 747,306</u></b>
Stewardship PP&E (Note 7)		-
<b>Liabilities</b>		
Intragovernmental		
Accounts payable	\$ 4,620	\$ 5,216
Other (Note 8,10,11)	5,453	4,387
Total intragovernmental	<u>10,073</u>	<u>9,603</u>
Accounts payable	42,758	49,699
Debt held by the public (Note 8, 9)	151,585	166,895
Federal employee benefits-actuarial FECA (Note 8)	10,798	10,865
Other (Note 8, 10)	19,636	21,285
Total liabilities	<u>234,850</u>	<u>258,347</u>
Commitments and Contingencies (Note 12)	-	-
<b>Net Position</b>		
Unexpended appropriations - other funds	157,977	167,447
Cumulative results of operations - earmarked funds (Note 13)	43,686	36,841
Cumulative results of operations - other funds	222,432	284,671
Total net position	<u>\$ 424,095</u>	<u>\$ 488,959</u>
<b>Total liabilities and net position</b>	<b><u>\$ 658,945</u></b>	<b><u>\$ 747,306</u></b>

The accompanying notes are an integral part of these statements

***Consolidated Statement of Net Cost***  
***For the years ended September 30, 2012 and 2011***

*(in thousands)*

	2012	2011
<b>Program Costs (Note 14)</b>		
<b>Archives and records management activities</b>		
Gross costs	\$ 437,712	\$ 418,855
Less: Earned revenues	(612)	(280)
<b>Total net archives and records management activities program costs</b>	437,100	418,575
<b>Trust and Gift Funds</b>		
Gross costs (excluding heritage asset renovation)	13,851	14,901
Heritage asset renovation costs (Note 15)	2,757	-
Less: Earned revenues	(18,808)	(16,481)
<b>Total net trust and gift fund costs</b>	(2,200)	(1,580)
<b>National historical publications and records commission grants</b>		
Gross costs	9,686	8,408
Less: Earned revenues	-	-
<b>Total net national historical publications and records commission grants program costs</b>	9,686	8,408
<b>Archives facilities and presidential libraries repairs and restoration</b>		
Gross costs (excluding heritage asset renovation)	567	1,468
Heritage asset renovation costs (Note 15)	19,125	23,518
Less: Earned revenues	-	-
<b>Total net archives facilities and presidential libraries repairs and restoration program costs</b>	19,692	24,986
<b>Revolving fund records center storage and services</b>		
Gross costs	189,280	184,894
Less: Earned revenues	(176,351)	(172,793)
<b>Total net revolving fund records center storage and services program costs</b>	12,929	12,101
<b>Net Cost of Operations</b>	\$ 477,207	\$ 462,490

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

**Consolidated Statement of Changes in Net Position**  
*For the year ended September 30, 2012*  
*(in thousands)*

	Earmarked Funds	All Other Funds	Consolidated Total
<b>Cumulative Results of Operations</b>			
Beginning Balance	\$ 36,841	\$ 284,671	\$ 321,512
Adjustments			
Corrections of errors (Note 6)	-	(1,311)	(1,311)
Beginning balance, as adjusted	36,841	283,360	320,201
<b>Budgetary Financing Sources</b>			
Appropriations Used	-	396,934	396,934
Nonexchange Revenue	576	-	576
Donations and forfeitures of cash and cash equivalents	5,363	-	5,363
Transfers-in/out without reimbursement	(532)	532	(0)
Other	265	-	265
<b>Other Financing Sources (Non-Exchange)</b>			
Imputed financing	469	18,769	19,238
Other	748	-	748
Total Financing Sources	6,889	416,235	423,124
Net Cost of Operations	44	477,163	477,207
Net Changes	6,845	(60,928)	(54,083)
<b>Cumulative Results of Operations</b>	<b>43,686</b>	<b>222,432</b>	<b>266,118</b>
<b>Unexpended Appropriations</b>			
Beginning Balance	-	167,447	167,447
<b>Budgetary Financing Sources</b>			
Appropriations received	-	391,500	391,500
Other adjustment	-	(4,036)	(4,036)
Appropriations used	-	(396,934)	(396,934)
Total Budgetary Financing Sources	-	(9,470)	(9,470)
Total Unexpended Appropriations	-	157,977	157,977
<b>Net Position</b>	<b>\$ 43,686</b>	<b>\$ 380,409</b>	<b>\$ 424,095</b>

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

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

**Consolidated Statement of Changes in Net Position**  
*For the year ended September 30, 2011*  
*(in thousands)*

	Earmarked Funds	All Other Funds	Consolidated Total
<b>Cumulative Results of Operations</b>			
Beginning Balance	\$ 36,961	\$ 266,111	\$ 303,072
<b>Budgetary Financing Sources</b>			
Appropriations Used	-	456,728	456,728
Nonexchange Revenue	636	-	636
Donations and forfeitures of cash and cash equivalents	989	-	989
Transfers-in/out without reimbursement	(585)	585	-
Other	394	-	394
<b>Other Financing Sources (Non-Exchange)</b>			
Donations and forfeitures of property	60	-	60
Transfers-in/out without reimbursement	(60)	1,874	1,814
Imputed financing	498	20,385	20,883
Other	(574)	-	(574)
Total Financing Sources	1,358	479,572	480,930
Net Cost of Operations	1,478	461,012	462,490
Net Changes	(120)	18,560	18,440
<b>Cumulative Results of Operations</b>	<b>36,841</b>	<b>284,671</b>	<b>321,512</b>
<b>Unexpended Appropriations</b>			
Beginning Balance	-	196,770	196,770
<b>Budgetary Financing Sources</b>			
Appropriations received	-	434,868	434,868
Other adjustments	-	(7,463)	(7,463)
Appropriations used	-	(456,728)	(456,728)
Total Budgetary Financing Sources	-	(29,323)	(29,323)
Total Unexpended Appropriations	-	167,447	167,447
<b>Net Position</b>	<b>\$ 36,841</b>	<b>\$ 452,118</b>	<b>\$ 488,959</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, 2012 and 2011**  
(in thousands)

	2012	2011
<b>BUDGETARY RESOURCES:</b>		
Unobligated balance brought forward, October 1	\$ 63,980	\$ 110,211
Adjustment to unobligated balance, brought forward	-	(11,281)
Unobligated balance brought forward, October 1	63,980	98,930
Recoveries of prior year unpaid obligations	33,929	8,275
Other changes in unobligated balance	(4,036)	(3,395)
Unobligated balance from prior year budget authority, net	93,873	103,810
Appropriations (discretionary and mandatory)	398,234	433,402
Spending authority from offsetting collections (discretionary and mandatory)	224,932	195,878
Total budgetary resources	<u>717,039</u>	<u>733,090</u>
<b>STATUS OF BUDGETARY RESOURCES:</b>		
Obligations incurred	628,228	669,110
Unobligated balance, end of year:		
Apportioned	56,812	43,359
Exempt from apportionment	8,544	6,035
Unapportioned	23,455	14,586
Total unobligated balance, end of year	<u>88,811</u>	<u>63,980</u>
Total budgetary resources	<u>717,039</u>	<u>733,090</u>
<b>CHANGE IN OBLIGATED BALANCE:</b>		
Unpaid obligations, brought forward, October 1 (gross)	205,433	219,741
Uncollected customer payments from Federal sources, brought forward, October 1 (-)	(19,441)	(35,890)
Obligated balance start of year (net), before adjustments (+ or -)	185,992	183,851
Adjustment to obligated balance, start of year	-	11,281
Obligated balance, start of year (net), as adjusted	185,992	195,132
Obligations incurred	628,228	669,110
Outlays, (gross) (-)	(617,870)	(675,143)
Change in uncollected customer payments from Federal sources (+ or -)	(19,056)	5,168
Recoveries of prior year unpaid obligations (-)	(33,929)	(8,275)
Obligated balance, end of year		
Unpaid Obligations, end of year (gross)	181,861	205,433
Uncollected customer payments from Federal sources, end of year (-)	(38,496)	(19,441)
Obligated balance, end of year (net)	<u>143,365</u>	<u>185,992</u>
<b>BUDGET AUTHORITY AND OUTLAYS, NET:</b>		
Budget authority, gross (discretionary and mandatory)	623,166	629,280
Actual offsetting collections (discretionary and mandatory) (-)	(221,077)	(215,032)
Change in uncollected customer payments from Federal Sources (discretionary and mandatory) (+ or -)	(19,056)	5,168
Budget Authority, net (discretionary and mandatory)	<u>383,033</u>	<u>419,416</u>
Outlays, gross (discretionary and mandatory)	617,870	675,143
Actual offsetting collections (discretionary and mandatory) (-)	(221,077)	(215,032)
Outlays, net (discretionary and mandatory)	396,793	460,111
Distributed offsetting receipts	(6,767)	(2,610)
Agency Outlays, net (discretionary and mandatory)	<u>\$ 390,026</u>	<u>\$ 457,501</u>

The accompanying notes are an integral part of these statements

## *Notes to Principal Statements*

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

#### *A. Reporting Entity*

National Archives and Records Administration (NARA), is an independent agency 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, listed below and detailed in the Sources of Funds section of Management Discussion and Analysis.

#### **General Funds**

- Operating Expenses appropriation - Archives and Records Management Activities
- Electronic Records Archives (ERA) fund was merged with the Operating Expense funds in FY 2012, and is reflected as such on the Statement of Net Costs and the RSI Schedule of Budgetary Resources by Major Budget Accounts
- Repairs and Restoration
- National Historical Publications and Records Commission Grants

#### **Intragovernmental Fund**

- Revolving Fund, Records Center and Storage Services

#### **Trust Funds**

- National Archives Trust Fund
- National Archives Gift 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 budgetary 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's PP&E falls into two categories: general PP&E (See Note 6) and heritage assets (See Note 7). 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

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. 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 (FEGLIP) 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 FEGLIP, 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 on the Balance Sheet because neither the costs nor reimbursements have been recognized by DOL. See Note 8.

#### *I. 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.

#### *J. 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.

#### *K. 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.

#### *L. 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, Archives and Records Management activities 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. All other programs appearing on the Statement of Net Cost, such as Archives facilities and presidential libraries repairs and restoration and National Historic Publications and Records Commission Grants are, in essence, a part of the Archives and Records Management Activities, 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.

#### *M. 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 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

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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.

*N. Subsequent Events*

We have evaluated subsequent events and transactions occurring after September 30, 2012 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>	2012	2011
Appropriated funds	\$ 204,662	\$ 220,324
Revolving fund	12,275	19,741
Trust fund	95	265
Gift fund	101	103
Other funds	467	280
<b>Total</b>	<b>\$ 217,600</b>	<b>\$ 240,713</b>

Status of Fund Balances with Treasury

Unobligated Balance		
Available	50,313	39,855
Unavailable	23,455	14,586
Obligated Balance not yet disbursed	143,365	185,992
Other funds	467	280
<b>Total</b>	<b>\$ 217,600</b>	<b>\$ 240,713</b>

Unavailable unobligated balance includes the following

Allotments - Expired Authority	\$ 17,430	\$ 14,586
Unapportioned Authority	6,025	-
<b>Total</b>	<b>\$ 23,455</b>	<b>\$ 14,586</b>

Conditional 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 conditional, as to purpose. The endowments for the Presidential Libraries are conditional and have been obligated and invested in non-federal investments. The conditional balance as of September 30, 2012 is \$17,303 thousand (of which \$808 thousand is unobligated) and \$14,083 thousand as of September 30, 2011 (of which \$901 thousand is unobligated).

Other Funds represent non-entity FBWT assets 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 \$4,036 thousand in canceled FY 2007 appropriation was returned to Treasury at the end of the fiscal year.

*Note 3 – Investments*

Investments as of September 30, 2012 and 2011 consist of the following  
(in thousands)

<b>Amounts for 2012</b>					
	Cost	Interest Receivable	Investments, Net	Other Adjustments	Market value disclosure
<b>Intragovernmental Securities</b>					
Non-Marketable	\$ 14,525	-	\$ 14,525	-	\$ 14,525
<b>Total Intragovernmental</b>	<b>14,525</b>	<b>-</b>	<b>14,525</b>	<b>-</b>	<b>14,525</b>
<b>Other securities</b>					
Vanguard Dividend Growth Fund	1,324	28	1,352	318	1,670
Vanguard Small Cap Index Fund	1,615	1	1,616	187	1,803
Vanguard Intermediate Term Investment Grade	12,467	-	12,467	895	13,362
Emerging Markets Stock Index Fund	1,340	21	1,361	(21)	1,340
Vanguard Developed Markets Index Fund	1,510	18	1,528	(210)	1,318
Vanguard Total Bond Market Index Fund	7,594	-	7,594	900	8,494
Vanguard Total Stock Market Index Fund	1,990	4	1,994	288	2,282
Vanguard PRIMECAP Core Fund	1,037	12	1,049	240	1,289
<b>Total Other</b>	<b>28,877</b>	<b>84</b>	<b>28,961</b>	<b>2,597</b>	<b>31,558</b>
<b>Total Investments</b>	<b>\$ 43,402</b>	<b>\$ 84</b>	<b>\$ 43,486</b>	<b>\$ 2,597</b>	<b>\$ 46,083</b>

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<b>Amounts for 2011</b>					
	Cost	Interest Receivable	Investments, Net	Other Adjustments	Market value disclosure
<b>Intragovernmental Securities</b>					
Non-Marketable	\$ 9,204	-	\$ 9,204	-	\$ 9,204
<b>Total Intragovernmental</b>	<b>\$ 9,204</b>	<b>-</b>	<b>\$ 9,204</b>	<b>-</b>	<b>\$ 9,204</b>
<b>Other securities</b>					
Vanguard Dividend Growth Fund	1,113	10	1,123	57	1,180
Vanguard Small Cap Index Fund	1,171	-	1,171	(147)	1,024
Vanguard Intermediate Term Investment	12,228	-	12,228	380	12,608
Vanguard Emerging Markets Stock Index Fund	1,149	19	1,168	(161)	1,007
Vanguard Developed Markets Index Fund	1,397	30	1,427	(333)	1,094
Vanguard Total Bond Market Index Fund	7,558	-	7,558	809	8,367
Vanguard Total Stock Market Index Fund	1,792	2	1,794	(172)	1,622
Vanguard PRIMECAP Core Fund	1,023	10	1,033	19	1,052
<b>Total Other</b>	<b>27,431</b>	<b>71</b>	<b>27,502</b>	<b>452</b>	<b>27,954</b>
<b>Total Investments</b>	<b>\$ 36,635</b>	<b>\$ 71</b>	<b>\$ 36,706</b>	<b>\$ 452</b>	<b>\$ 37,158</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)

	2012		2011	
	Intra-governmental	With the public	Intra-governmental	With the public
<b>Accounts receivable</b>	\$ 15,130	\$ 373	\$ 14,350	\$ 512

*Note 5 – Inventory, Net*

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

(in thousands)

	2012	2011
Inventory held for sale	1,303	1,285
Allowance for damaged and obsolete goods	(248)	(256)
<b>Net realizable value</b>	<b>\$ 1,055</b>	<b>\$ 1,029</b>

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

The following components comprise Property, Plant and Equipment as of September 30, 2012 and 2011 (in thousands):

Asset category	Estimated useful life in years	Acquisition cost	Accumulated depreciation/amortization	2012	2011
				Net book value	Net book value
Land	N/A	6,159	-	6,159	6,159
Buildings and structures	30	396,102	(235,288)	160,814	172,050
Construction and shelving in progress	N/A	7,120	-	7,120	12,150
Equipment & Shelving	3 to 20	138,077	(96,635)	41,442	55,224
Leasehold Improvements	Various	34,329	(10,287)	24,042	19,809
Assets under capital lease	20	5,284	(4,302)	982	1,265
Internal-use software	5	327,366	(206,852)	120,514	131,503
Software development in progress	N/A	16,928	-	16,928	54,620
<b>Total property, plant and equipment</b>		<b>\$ 931,365</b>	<b>\$ (553,364)</b>	<b>\$ 378,001</b>	<b>\$ 452,780</b>

NARA capitalizes property items with a unit cost equal to or exceeding \$50 thousand, and construction and internal-use software development projects with the total development cost of \$250 thousand or greater, 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.

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During FY2012, NARA recorded an adjustment to the accumulated depreciation resulting from correction in the depreciation start date for certain construction- in-progress assets. This adjustment to prior year balances appears as a correction of error on the Statement of Changes in Net Position.

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.

Internal-use software includes commercial off-the-shelf (COIS) software and internally developed or contractor developed software.

**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. NARA reports archival holdings by collection (e.g. Presidential, regional) and type of holdings (e.g. traditional, electronic), to more closely align with NARA's processes 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	-	-	7	1	-
Presidential Libraries	12	-	13	4	13
<b>TOTAL</b>	<b>15</b>	<b>2</b>	<b>35</b>	<b>7</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. Until the construction of the George W. Bush Library is completed at the Southern Methodist University, the collections of records and artifacts documenting the Presidency of George W. Bush are housed at a temporary leased facility in Lewisville, Texas.

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

NARA owns two parcels of land, designated as multi-use, each serving as a site for current (SER in Atlanta, GA) and 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 Presidential library's museums is a repository to a collection of 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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There were no additions to any heritage asset collection, building or land during FY 2012, and no collection is ever retired or disposed. NARA's collections only grow with the accessioning of new records or transfer of Presidential materials. 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.

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, 2012 and 2011, consist of the following:

*(in thousands)*

	<b>2012</b>	<b>2011</b>
Intragovernmental		
Other - Workers' compensation	\$ 756	\$ 713
Total Intragovernmental	\$ 756	\$ 713
Debt held by the public	151,585	166,895
Other - Accrued unfunded leave	10,793	11,244
Federal employee benefits-actuarial FECA	10,798	10,865
Total liabilities not covered by budgetary resources	173,932	189,717
Total liabilities covered by budgetary resources	60,918	68,630
<b>Total liabilities</b>	<b>\$ 234,850</b>	<b>\$ 258,347</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>2012</b>	<b>2011</b>
Beginning balance - Principal	\$ 165,721	\$ 179,708
Less : Debt repayment	15,202	13,987
Ending balance - Principal	150,519	165,721
Accrued interest payable	1,066	1,174
<b>Total Debt at September 30</b>	<b>\$ 151,585</b>	<b>\$ 166,895</b>

*Note 10 – Other Liabilities*

Other Liabilities as of September 30, 2012 and 2011 consist of the following:

<i>(in thousands)</i>	<b>2012</b>		
	<b>Non-Current</b>	<b>Current</b>	<b>Total</b>
Intragovernmental			
Workers' and unemployment compensation	\$ 1,253	\$ 1,046	\$ 2,299
Capital lease liability	151	129	280
Accrued payroll	-	1,097	1,097
Advances from others	-	1,777	1,777
Total Intragovernmental	1,404	4,049	5,453
Accrued funded payroll and leave	-	8,317	8,317
Unfunded leave	10,793	-	10,793
Miscellaneous liabilities	-	13	13
Advances from others	-	513	513
Total other liabilities	\$ 12,197	\$ 12,892	\$ 25,089

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	2011		
	Non-Current	Current	Total
Intragovernmental			
Workers' and unemployment compensation	\$ 1,303	\$ 926	\$ 2,229
Capital lease liability	280	119	399
Accrued payroll	-	1,211	1,211
Advances from others	-	548	548
Total Intragovernmental	1,583	2,804	4,387
Accrued funded payroll and leave	-	9,920	9,920
Unfunded leave	11,244	-	11,244
Miscellaneous liabilities	-	7	7
Advances from others	-	114	114
Total other liabilities	\$ 12,827	\$ 12,845	\$ 25,672

*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, representing liability for shelving leased through GSA at the Philadelphia records facility. It expires in December 2014. The net capital lease liability is covered by budgetary resources, and shown in Intragovernmental Liabilities, Other (See Note 10).

The schedule below shows the future minimum payments under the capital lease with the present value of the future minimum lease payments (in thousands):

<b>Capital Leases - NARA as lessee</b>	<b>2012</b>	<b>2011</b>
Summary of assets under capital lease:		
Shelving	\$ 5,284	\$ 5,284
Accumulated amortization	(4,302)	(4,019)
<b>Description of Lease Arrangements</b>		
<b>Future payments due</b>		
<u>Fiscal year</u>		
2013	\$ 146	
2014	146	
2015	12	
2016	-	
After 2017	-	
Total future lease payments	304	
Less: imputed interest	24	
<b>Net capital lease liability</b>	<b>\$ 280</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 31, 2020
Dayton (Kingsridge), Ohio	September 1, 2004 through December 31, 2022
Lenexa, Kansas	February 1, 2003 through February 14, 2023
Pershing Rd, Kansas City, MO	January 1, 2009 through December 31, 2028
Ft. Worth-Montgomery, Texas	February 12, 2011 through February 10, 2016
Archives Dr./Dunns Rd. St. Louis, Missouri	April 30, 2011 through April 29, 2031
Denver (Broomfield), Colorado	August 1, 2011 through May, 30, 2032
Underground Dr, Kansas City	September 19, 2012 through September 18, 2032

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 November 30, 2024
Atlanta, GA	October 1, 2004 through June 30, 2024
Ft. Worth, Texas	October 1, 2006 through October 31, 2026
The Annex I and II 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 through 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>	Land	Buildings
2013	\$ 139	\$ 31,136
2014	142	31,478
2015	146	31,510
2016	149	31,446
2017	153	31,593
After 2017	928	345,711
<b>Total future lease payments</b>	<b>\$ 1,657</b>	<b>\$ 502,874</b>

*Note 12 – Commitments and Contingencies*

NARA has incurred various claims in the normal course of business. As of September 30, 2012, however, in the opinion of General Counsel NARA has no outstanding claims that have a reasonable possibility of an unfavorable outcome.

*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, 2012 and 2011 consists of the following:

<i>(in thousands)</i>	2012		
	NATF	NAGF	Total Earmarked Funds
<b>Balance Sheet as of September 30, 2012</b>			
<b>Assets</b>			
Fund balance with Treasury	\$ 562	\$ 101	\$ 663
Cash	52	-	52
Investments, net	24,966	21,117	46,083
Accounts receivable	446	-	446
Inventory	1,056	-	1,056
Property, plant & equipment	147	-	147
<b>Total assets</b>	<b>27,229</b>	<b>21,218</b>	<b>48,447</b>
<b>Liabilities</b>			
Accounts payable	781	457	1,238
Federal employee and veteran benefits	376	-	376
Other liabilities	3,147	-	3,147
<b>Total liabilities</b>	<b>4,304</b>	<b>457</b>	<b>4,761</b>
<b>Net position</b>			
Cumulative results of operations			
Conditional	-	17,303	17,303
Unconditional	22,925	3,458	26,383
<b>Total net position</b>	<b>22,925</b>	<b>20,761</b>	<b>43,686</b>
<b>Total liabilities and net position</b>	<b>\$ 27,229</b>	<b>\$ 21,218</b>	<b>\$ 48,447</b>
<b>Statement of Net Cost for the Period Ended September 30, 2012</b>			
Gross Program Costs	15,535	3,323	18,858
Less Earned Revenues	18,814	-	18,814
<b>Net Costs of Operations</b>	<b>\$ (3,279)</b>	<b>\$ 3,323</b>	<b>\$ 44</b>
<b>Statement of Changes in Net Position For the Period Ended September 30, 2012</b>			
Net position, Beginning of fiscal year	19,094	17,747	36,841
Non-exchange revenue	3	573	576
Donations	-	5,363	5,363
Transfers-in/out without reimbursements	80	(612)	(532)
Other Budgetary Financing Sources	-	265	265
Donations and forfeitures of property	-	-	-
Imputed financing from costs absorbed by others	469	-	469
Other Financing Sources	-	748	748
<b>Total financing sources</b>	<b>552</b>	<b>6,337</b>	<b>6,889</b>
Net cost of operations	(3,279)	3,323	44
Change in Net Position	3,831	3,014	6,845
<b>Net Position, End of fiscal year</b>	<b>\$ 22,925</b>	<b>\$ 20,761</b>	<b>\$ 43,686</b>

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

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(in thousands)

	2011		
	NATF	NAGF	Total Earmarked Funds
<b>Balance Sheet as of September 30, 2011</b>			
<b>Assets</b>			
Fund balance with Treasury	\$ 544	\$ 103	\$ 647
Cash	55	-	55
Investments, net	19,488	17,669	37,157
Accounts receivable	321	-	321
Inventory	1,029	-	1,029
<b>Total assets</b>	<b>21,437</b>	<b>17,772</b>	<b>39,209</b>
<b>Liabilities</b>			
Accounts payable	772	25	797
Federal employee and veteran benefits	372	-	372
Other liabilities	1,199	-	1,199
<b>Total liabilities</b>	<b>2,343</b>	<b>25</b>	<b>2,368</b>
<b>Net position</b>			
Cumulative results of operations			
Restricted	-	14,083	14,083
Unrestricted	19,094	3,664	22,758
<b>Total net position</b>	<b>19,094</b>	<b>17,747</b>	<b>36,841</b>
<b>Total liabilities and net position</b>	<b>21,437</b>	<b>17,772</b>	<b>39,209</b>
<b>Statement of Net Cost for the Period Ended September 30, 2011</b>			
Gross Program Costs	17,366	593	17,959
Less Earned Revenues	16,481	-	16,481
<b>Net Costs of Operations</b>	<b>\$ 885</b>	<b>\$ 593</b>	<b>\$ 1,478</b>
<b>Statement of Changes in Net Position For the Period Ended September 30, 2011</b>			
Net position, Beginning of fiscal year	19,388	17,573	36,961
Non-exchange revenue	-	636	636
Donations	-	989	989
Transfers-in/out without reimbursements	93	(738)	(645)
Other Budgetary Financing Sources	-	394	394
Donations and forfeitures of property	-	60	60
Imputed financing from costs absorbed by others	498	-	498
Other Financing Sources	-	(574)	(574)
<b>Total financing sources</b>	<b>591</b>	<b>767</b>	<b>1,358</b>
Net cost of operations	885	593	1,478
Change in Net Position	(294)	174	(120)
<b>Net Position, End of fiscal year</b>	<b>\$ 19,094</b>	<b>\$ 17,747</b>	<b>\$ 36,841</b>

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

*Note 14 – Intragovernmental Costs and Exchange Revenues by Program*  
(in thousands)

	<u>2012</u>	<u>2011</u>
<b>Archives and Records Management Activities</b>		
Intragovernmental gross costs	\$ 68,207	\$ 70,075
Public costs	369,505	348,780
Total Records and Archives-Related Services Costs	437,712	418,855
Intragovernmental earned revenue	114	421
Public earned revenue	498	(141)
Total Records and Archives-Related Services Earned Revenue	\$ 612	\$ 280
<b>Trust and Gift Funds</b>		
Intragovernmental gross costs	\$ 2,410	\$ 2,384
Public costs	11,441	12,517
Heritage asset renovation costs (Note 15)	2,757	-
Total Trust and Gift Funds Costs	16,608	14,901
Intragovernmental earned revenue	1,222	467
Public earned revenue	17,586	16,014
Total Trust and Gift Funds Earned Revenue	\$ 18,808	\$ 16,481
<b>National Historical Publications and Records Commission Grants</b>		
Intragovernmental gross costs	-	-
Public costs	9,686	8,408
Total National Historical Publications and Records Commission Grants Costs	\$ 9,686	\$ 8,408
<b>Archives Facilities and Presidential Libraries Repairs and Restoration</b>		
Intragovernmental gross costs	-	-
Public costs	\$ 567	\$ 1,468
Heritage asset renovation costs (Note 15)	19,125	23,518
Total Archives Facilities and Presidential Libraries Repairs and Restoration Costs	\$ 19,692	\$ 24,986
<b>Revolving Fund Records Center Storage and Services</b>		
Intragovernmental gross costs	\$ 83,587	\$ 79,144
Public costs	105,693	105,750
Total Revolving Fund Records Center Storage and Service Costs	189,280	184,894
Intragovernmental earned revenue	174,820	171,372
Public earned revenue	1,531	1,421
Total Revolving Fund Records Center Storage and Services Earned Revenue	\$ 176,351	\$ 172,793

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. In FY 2012, the Electronic Records Archives program was combined with the Archives and Records Management Activities program (formerly known as Records and Archives Related Services).

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.

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*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, 2012 and 2011 (in thousands):

Asset	2012		2011	
	<u>Appropriation</u>	<u>Gift</u>	<u>Appropriation</u>	<u>Gift</u>
National Archives Building	\$ 4,854	\$2,593	\$ 3,237	-
<u>Libraries:</u>				
Roosevelt	7,817	-	7,156	-
Hoover	78	-	22	-
Truman	297	-	373	-
Eisenhower	803	-	617	-
Kennedy	2,704	164	9,142	-
Johnson	3	-	17	-
Nixon	240	-	606	-
Ford	1,270	-	1,136	-
Carter	406	-	29	-
Reagan	353	-	953	-
Bush	42	-	180	-
Clinton	258	-	50	-
Total	\$ 19,125	\$ 2,757	\$ 23,518	-

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.

The amounts of direct and reimbursable obligations incurred (in thousands).

	Category A		Category B		Exempt		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Direct	\$394,619	\$375,655	\$ 27,568	\$ 87,682	\$ -	\$ -	\$422,187	\$463,337
Reimbursable	1,703	2,309	188,691	185,142	15,647	18,322	206,041	205,773
Total	\$396,322	\$377,964	\$216,259	\$272,824	\$15,647	\$ 18,322	\$628,228	\$669,110

*Note 18 – 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 2012 actual budgetary execution information has not yet been published. The *Budget of the United States Government* is scheduled for publication in January 2013. Accordingly, information required for such disclosure is not available at the time of preparation of these financial statements.

Instead, NARA prior year actual 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 remaining 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)	2011			
	Budgetary Resources	Obligations Incurred	Distributed Offsetting Receipts	Net Outlays
Statement of Budgetary Resources	\$ 733	\$ 669	\$ 3	\$ 457
Difference-Expired appropriations	15	1	-	-
Difference-Rounding	-	1	-	-
Budget of the U.S. Government	\$ 718	\$ 667	\$ 3	\$ 457

*Note 19 – Undelivered Orders at the End of the Period*

The amount of budgetary resources obligated for undelivered orders at September 30, 2012 and 2011 is \$122,647 thousand and \$136,751 thousand, respectively.

*Note 20 – 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.

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

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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>2012</b>	<b>2011</b>
Net obligations incurred	\$ 347,398	\$ 448,360
Nonbudgetary Resources	18,492	19,583
Total resources used to finance activities	365,890	467,943
Resources that do not fund net cost of operations	22,097	(73,689)
Cost that do not require resources in the current period	89,070	67,756
Financing sources yet to be provided	150	480
Net cost of operations	<u>\$ 477,207</u>	<u>\$ 462,490</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 record holdings in our custody.

To ensure the preservation of the archival holdings NARA applies a multi-faceted strategy, which includes storage in appropriate environment, and various 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 records identified as "at-risk" to minimize further deterioration and to remediate damage that has occurred due to age or improper handling prior to arrival at NARA. The progress on the ongoing challenge of the backlog of records requiring preservation is tracked and reported as one of our critical performance measures (section 2.7 in the Performance section of this PAR.)

Because the space where the records are preserved is a critical to preventing deterioration of the records, NARA has implemented federal records and archival storage standards to reduce damage to holdings prior to their accession 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, which prepares Building Condition Reports (BCR), for all NARA owned facilities. BCRs are scheduled approximately every five years from the last BCR or major renovation at each facility. Facility managers continue to assess 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 2012, 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.

<u>Category</u>	<u>Method</u>	<u>Acceptable Asset Condition</u>	<u>Estimated Deferred Maintenance</u>
Heritage assets - Buildings	CAS	Good	\$34 to 35 million
Multi-use assets - Buildings	CAS	Good	\$8 to 9 million

NARA categorizes facilities and equipment according to condition using terms such as those shown below:

- o *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.
- o *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.

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- *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 2012	Archives and Records Management Activities	Gift Fund	Trust Fund	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:	\$17,210	\$ 2,518	\$ 6,035	\$ 735	\$33,653	\$ 3,829	\$63,980
Recoveries of prior year unpaid obligations	30,466	28	524	413	165	2,334	33,929
Other changes in unobligated balance	(4,036)	-	-	-	-	-	(4,036)
Unobligated balance from prior year budget authority, net	43,640	2,546	6,559	1,148	33,818	6,162	93,873
Appropriations (discretionary and mandatory)	377,400	6,734	-	5,000	9,100	-	398,234
Spending authority from offsetting collections	2,758	-	17,632	-	-	204,542	224,932
<b>Total Budgetary Resources</b>	<b>\$423,798</b>	<b>\$ 9,281</b>	<b>\$ 24,191</b>	<b>\$ 6,148</b>	<b>\$ 42,918</b>	<b>\$ 210,704</b>	<b>\$ 717,039</b>
<b>Status of Budgetary Resources</b>							
Obligations Incurred	\$ 385,199	\$ 7,059	\$ 15,647	\$ 5,429	\$ 26,203	\$ 188,691	\$ 628,228
Unobligated balance, end of year:							
Apportioned	21,149	2,168	-	719	16,715	16,061	56,812
Exempt from apportionment	-	-	8,544	-	-	-	8,544
Unapportioned	17,451	53	-	-	-	5,951	23,455
Total unobligated balance, end of year	38,599	2,221	8,544	719	16,715	22,013	88,811
<b>Total Budgetary Resources</b>	<b>\$ 423,798</b>	<b>\$ 9,281</b>	<b>\$ 24,191</b>	<b>\$ 6,148</b>	<b>\$ 42,918</b>	<b>\$ 210,704</b>	<b>\$ 717,039</b>
<b>Change in Obligated Balance</b>							
Obligated balance, start of year (net)	\$ 133,759	\$ 537	\$ 816	\$ 17,411	\$ 17,557	\$ 15,913	\$ 185,992
Obligations incurred	385,199	7,059	15,647	5,429	26,203	188,691	628,228
Less: Gross outlays	(375,050)	(4,339)	(15,819)	(9,761)	(21,062)	(191,840)	(617,870)
Less: Recoveries of prior year unpaid obligations, actual	(30,466)	(28)	(524)	(413)	(165)	(2,334)	(33,929)
Change in uncollected customer payments from Federal sources	(13)	-	1,125	-	-	(20,167)	(19,056)
<b>Obligated balance, net, end of period</b>	<b>\$ 113,429</b>	<b>\$ 3,229</b>	<b>\$ 1,245</b>	<b>\$ 12,666</b>	<b>\$ 22,533</b>	<b>\$ (9,738)</b>	<b>\$ 143,365</b>
<b>Budget Authority and Outlays, Net:</b>							
Budget authority, gross (discretionary and mandatory)	\$ 380,158	\$ 6,734	\$ 17,632	\$ 5,000	\$ 9,100	\$ 204,542	\$ 623,166
Actual offsetting collections (discretionary and mandatory) (-)	(17,946)	-	(18,757)	-	-	(184,374)	(221,077)
Change in uncollected customer payments from Federal Sources (discretionary and mandatory) (+ or -)	(13)	-	1,125	-	-	(20,167)	(19,056)
<b>Budget Authority, net (discretionary and mandatory)</b>	<b>\$ 362,199</b>	<b>\$ 6,734</b>	<b>\$ -</b>	<b>\$ 5,000</b>	<b>\$ 9,100</b>	<b>\$ -</b>	<b>\$ 383,033</b>
Outlays, gross (discretionary and mandatory)	\$ 375,050	\$ 4,339	\$ 15,819	\$ 9,761	\$ 21,062	\$ 191,840	\$ 617,870
Less: Actual offsetting collections (discretionary and mandatory) (-)	(17,946)	-	(18,757)	-	-	(184,374)	(221,077)
Less: Distributed Offsetting receipts	(36)	(6,731)	-	-	-	-	(6,767)
<b>Agency Outlays, net (discretionary and mandatory)</b>	<b>\$ 357,067</b>	<b>\$(2,392)</b>	<b>\$( 2,938)</b>	<b>\$ 9,761</b>	<b>\$ 21,062</b>	<b>\$ 7,466</b>	<b>\$ 390,026</b>

Please note in FY 2012, the Electronic Records Archives program was combined with the Archives and Records Management Activities program (formerly known as Records and Archives Related Services).

*Required Supplementary Information*

*Schedule of Budgetary Resources by Major Budget Accounts*

(in thousands)

Fiscal Year 2011	Archives and Records Management Activities	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:	\$ 13,179	\$ 2,610	\$ 5,129	\$21,904	\$ 5,348	\$ 37,729	\$ 24,312	\$ 110,211
Adjustments to unobligated balance, brought forward	-	-	-	-	-	-	(11,281)	(11,281)
Unobligated balance brought forward, October 1, as adjusted	13,179	2,610	5,129	21,904	5,348	37,729	13,031	98,930
Recoveries of prior year unpaid obligations	4,180	3	671	398	709	798	1,516	8,275
Other changes in unobligated balance	(2,958)	-	-	(437)	-	-	-	(3,395)
Unobligated balance from prior year budget authority, net	14,401	2,612	5,800	21,866	6,057	38,527	14,547	103,810
Appropriations (discretionary and mandatory)	343,332	2,602	-	71,856	6,986	8,626	-	433,402
Spending authority from offsetting collections	2,896	-	18,557	-	-	-	174,424	195,878
<b>Total Budgetary Resources</b>	<b>\$360,630</b>	<b>\$ 5,215</b>	<b>\$24,357</b>	<b>\$93,721</b>	<b>\$ 13,043</b>	<b>\$ 47,153</b>	<b>\$ 188,971</b>	<b>\$ 733,090</b>
<b>Status of Budgetary Resources</b>								
Obligations Incurred	\$346,828	\$ 2,697	\$18,322	\$90,313	\$ 12,308	\$ 13,500	\$ 185,142	\$ 669,110
Unobligated balance, end of year:								
Apportioned	927	2,518	-	1,697	735	33,653	3,829	43,359
Exempt from apportionment	-	-	6,035	-	-	-	-	6,035
Unapportioned	12,875	-	-	1,711	-	-	-	14,586
Total unobligated balance, end of year	13,802	2,518	6,035	3,408	735	33,653	3,829	63,980
<b>Total Budgetary Resources</b>	<b>\$360,630</b>	<b>\$ 5,215</b>	<b>\$24,357</b>	<b>\$93,721</b>	<b>\$ 13,043</b>	<b>\$ 47,153</b>	<b>\$ 188,971</b>	<b>\$ 733,090</b>
<b>Change in Obligated Balance</b>								
Obligated balance, start of year (net), as adjusted	\$ 91,868	\$ 625	\$ 2,355	\$39,932	\$ 14,057	\$ 34,222	\$ 792	\$ 183,851
Adjustments to obligated balance, start of year							11,281	11,281
Obligated balance, start of year (net), as adjusted	\$ 91,868	\$ 625	\$ 2,355	\$39,932	\$ 14,057	\$ 34,222	\$ 12,073	\$ 195,132
Obligations incurred	346,828	2,697	18,322	90,313	12,308	13,500	185,142	669,110
Less: Gross outlays	(353,268)	(2,783)	(16,909)	(77,330)	(8,245)	(29,367)	(187,241)	(675,143)
Less: Recoveries of prior year unpaid obligations, actual	(4,180)	(2)	(671)	(398)	(709)	(798)	(1,516)	(8,275)
Change in uncollected customer payments from Federal sources	(6)	-	(2,281)	-	-	-	7,455	5,168
Obligated balance, net, end of period	\$ 81,242	\$ 537	\$ 816	\$52,517	\$ 17,411	\$ 17,557	\$ 15,913	\$ 185,992
<b>Budget Authority and Outlays, Net:</b>								
Budget authority, gross (discretionary and mandatory)	\$346,228	\$ 2,602	\$18,557	\$71,856	\$ 6,986	\$ 8,626	\$ 174,424	\$ 629,280
Actual offsetting collections (discretionary and mandatory) (-)	(16,877)	-	(16,276)	-	-	-	(181,879)	(215,032)
Change in uncollected customer payments from Federal Sources (discretionary and mandatory) (+ or -)	(6)	-	(2,281)	-	-	-	7,455	5,168
Budget Authority, net (discretionary and mandatory)	\$329,345	\$ 2,602	\$ 0	\$71,856	\$ 6,986	\$ 8,626	\$ 0	\$ 419,416
Outlays, gross (discretionary and mandatory)	\$353,268	\$ 2,783	\$16,909	\$77,330	\$ 8,245	\$ 29,367	\$ 187,241	\$ 675,143
Less: Actual offsetting collections (discretionary and mandatory) (-)	(16,877)	-	(16,276)	-	-	-	(181,879)	(215,032)
Less: Distributed Offsetting receipts	(10)	(2,600)	-	-	-	-	-	(2,610)
Agency Outlays, net (discretionary and mandatory)	\$336,381	\$ 183	\$ 633	\$ 77,330	\$ 8,245	\$ 29,367	\$ 5,362	\$ 457,501

## Auditor's Reports (FY 2012)

### Inspector General's Summary

**NATIONAL ARCHIVES AND RECORDS ADMINISTRATION  
ANNUAL FINANCIAL STATEMENT  
FISCAL YEAR 2012**

**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, 2012 and 2011. We contracted with the independent certified public accounting firm of Cotton & Company, LLP (C&C) to perform the fiscal years 2012 and 2011 audits. 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, 2012 and 2011, and its net cost, changes in net position, and budgetary resources for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

C&C reported no material weaknesses or significant deficiencies<sup>1</sup> in internal control over financial reporting. C&C 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, an opinion on NARA's financial statements or conclusions about the effectiveness of internal control or compliance with laws and regulations. C&C is responsible for the attached auditor's report dated November 14, 2012, and the conclusions expressed in the accompanying reports. 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> A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of an entity's financial statements will not be prevented, or detected and corrected on a timely basis.

<sup>2</sup> A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

## Independent Auditor's Report (FY 2012)



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The Inspector General  
National Archives and Records Administration

### INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying consolidated Balance Sheets of the National Archives and Records Administration (NARA) as of September 30, 2012 and 2011, and the related Statements of Net Cost, Changes in Net Position, and Budgetary Resources for the years then ended. These financial statements are the responsibility of NARA management. Our responsibility is to express an opinion on the financial statements based on our audits.

We conducted our audits 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 used and significant estimates made by management, as well as evaluating overall financial statement presentation. We believe that our audits provide 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, 2012 and 2011, and its net cost, changes in net position, and budgetary resources for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The information in the *Management's 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 did not audit this information and, accordingly, we express no opinion on it. However, we compared this information for consistency with the financial statements and discussed the methods of measurement and presentation with NARA officials. On the basis of this limited work, we found no material inconsistencies between the financial statements and U.S. generally accepted accounting principles or OMB financial reporting requirements.

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 Chief Financial Officer, 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.

In accordance with *Government Auditing Standards*, we are also issuing two other reports dated November 14, 2012. The first report is on our consideration of NARA's internal control over financial reporting and over compliance with laws and regulations. The second report is on our tests of NARA's compliance with certain provisions of laws and regulations. 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 assessing the results of our audit.

COTTON & COMPANY LLP



Colette Y. Wilson  
Partner

Alexandria, Virginia  
November 14, 2012



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The Inspector General  
National Archives and Records Administration

#### INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL

We have audited the consolidated financial statements of the National Archives and Records Administration (NARA) as of September 30, 2012 and 2011, and have issued our report thereon dated November 14, 2012. That report contained our unqualified opinion on the financial statements for fiscal year (FY) 2012 and FY 2011. We conducted our audits 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 management is responsible for establishing, maintaining, and assessing internal control to provide reasonable assurance that the broad control objectives of the Federal Managers' Financial Integrity Act are met. The objectives of internal control are as follows:

- **Financial reporting:** Transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in conformity with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition.
- **Compliance with laws and regulations:** Transactions are executed in accordance with (1) laws governing the use of budget authority, (2) other laws and regulations that could have a direct and material effect on the financial statements, and (3) any other laws, regulations, and government-wide policies identified by OMB audit guidance.

In planning and performing our audits, we considered NARA's internal control over financial reporting and over compliance with laws and regulations. We did this as a basis for designing our procedures for auditing the financial statements and not to express an opinion on internal control. Accordingly, we do not express an opinion on internal control over financial reporting and over compliance with laws and regulations.

Our consideration of internal control was for the limited purpose described in the previous paragraph. Thus, it was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses; therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination

of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of an entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

We noted certain deficiencies in internal control that will be reported to NARA management in a separate letter.

In commenting on a draft of this report (see Appendix A), NARA concurred with the facts and conclusions in our report. We did not audit NARA's response; accordingly, we express no opinion on it.

#### STATUS OF PRIOR-YEAR RECOMMENDATIONS

We reviewed the status of NARA's corrective actions with respect to the material weakness from the prior-year report on internal control. Appendix B to this report provides details of the status of recommendations.

Because of inherent limitations in internal control, misstatements due to error or fraud, losses, or noncompliance may nevertheless occur and not be detected. We also caution that projecting our evaluation to future periods is subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with controls may deteriorate.

In accordance with *Government Auditing Standards*, we are also issuing two other reports dated November 14, 2012. The first report is on our audit of NARA's financial statements. The second report is on our tests of NARA's compliance with certain provisions of laws and regulations. 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 assessing the results of our audit.

This report is intended solely for the information and use of NARA management, NARA Office of Inspector General, the Government Accountability Office, OMB, the Congress of the United States, and those who have read NARA's financial statements, our report on those financial statements, and our report on compliance with laws and regulations. This report is not intended to be and should not be used by anyone other than those parties.

COTTON & COMPANY LLP



Colette Y. Wilson, CPA  
Partner

Alexandria, Virginia  
November 14, 2012

## **Management Response to Auditor's Report (FY 2012)**

**APPENDIX A**  
**MANAGEMENT COMMENTS**



NATIONAL  
ARCHIVES

ARCHIVIST of the  
UNITED STATES

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14 November 2012

To: James Springs, Acting Inspector General  
From: David S. Ferriero, Archivist of the United States  
Subject: Management Response to the FY 2012 Financial Statement Audit

Thank you for the opportunity to respond to your reports, *Independent Auditor's Report on Internal Control* and *Independent Auditor's Report on Compliance with Laws and Regulations*.

I am pleased to have received an unqualified opinion for NARA's FY 2012 financial statements. I appreciate that the independent auditor has recognized our progress in improving financial management at NARA by removing last year's material weakness over financial reporting.

I would like to thank the Office of Inspector General and the Cotton & Company, LLP for their cooperation and efforts to ensure a smooth and efficient audit.

NATIONAL ARCHIVES and  
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**APPENDIX B**  
**NATIONAL ARCHIVES AND RECORDS ADMINISTRATION**  
**STATUS OF PRIOR-YEAR RECOMMENDATIONS**  
**SEPTEMBER 30, 2012**

APPENDIX B  
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION  
STATUS OF PRIOR-YEAR RECOMMENDATIONS  
SEPTEMBER 30, 2012

We present below the status of recommendations from our prior-year report on internal control over financial reporting and compliance with laws and regulations. In our FY 2011 report, we noted a material weakness related to the review of manual journal entries. NARA has taken corrective actions and our finding and recommendations have been closed.

Condition and Recommendation	Status as of September 30, 2012
<b>Review of Manual Journal Entries</b>	
We recommend that:	Closed
1. BCF develop, document, and implement procedures that require the review and approval of all manual journal entries prepared and submitted during and after the normal adjustment period. In addition, management should communicate these procedures to all involved in the process.	
2. BCR, as well as other offices, thoroughly review the methodologies and supporting documentation for all journal entries approved and submitted for financial reporting throughout the year (as required by current procedures).	Closed



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The Inspector General  
National Archives and Records Administration

#### INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND OTHER MATTERS

We have audited the financial statements of the National Archives and Records Administration (NARA) as of September 30, 2012 and 2011, and have issued our report thereon dated November 14, 2012. We conducted our audits 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 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 that OMB audit guidance requires that we test that we deemed applicable to the financial statements for the fiscal year ended September 30, 2012. 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.

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.

Providing an opinion on compliance with certain provisions of laws and regulations was not an objective of our audit; accordingly, we do not express such an opinion.

In accordance with *Government Auditing Standards*, we are also issuing two other reports dated November 14, 2012. The first report is on our audit of NARA's financial statements. The second report is on NARA's internal control over financial reporting and over compliance with laws and regulations. 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 assessing the results of our audit.

This report is intended solely for the information and use of NARA management, NARA Office of Inspector General, the Government Accountability Office, OMB, the Congress of the United States, and those who have read NARA's financial statements, our report on those financial statements, and our

report on internal control. This report is not intended to be and should not be used by anyone other than those parties.

COTTON & COMPANY LLP



Colette Y. Wilson  
Partner

Alexandria, Virginia  
November 14, 2012

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## 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.

One area not identified below is the impact of the major NARA transformation instituted under the direction of Archivist of the United States David S. Ferriero. The organizational structure the Archivist inherited when he came to NARA two short years ago has been radically re-engineered, and the majority of senior staff who held positions of authority under the former Archivist have left the agency. The process of transforming NARA to meet our core mission in this digital age is essential, but organizational transformations by their very nature may precipitate unforeseen challenges to staff and management alike.

### **1. Electronic Records Archives**

NARA initiated the Electronic Records Archive (ERA) program in order to address the challenge of ingesting, preserving and providing access to our nation's electronic records for as long as needed. However, virtually since inception the program has been fraught with delays, costs overruns, and technical shortcomings and deficiencies. Elements of these problems were identified by NARA's Office of Inspector General and the Government Accountability Office (GAO). In August 2010, OMB placed ERA on its high-priority list of 26 high-risk IT projects selected from across the Federal government. On September 30, 2011 the development contract between NARA and Lockheed Martin Corporation concluded. However, many core requirements were not fully addressed, and ERA lacks the originally envisioned functionality.

The program has now transitioned to an Operations and Maintenance (O&M) phase under a 10-year, \$240 million contract with IBM. The O&M tasks to be performed by IBM, under a firm-fixed-price (FFP) arrangement, include: help desk operations, incident management, problem management, hardware and software maintenance, asset and configuration management, deployment management, capacity management, availability management, security services, backup and recovery services, and ingest operations. The contract will also include replacing and updating the technologies comprising ERA, and developing increased ERA functionality. These additional tasks will be performed under Technical Direction Letters (TDLs), which may be either FFP or time-and-materials (T&M) arrangements.

ERA faces many challenges going forward, including addressing increased volumes of data to be ingested and increased number of users to be supported now that ERA use has become mandatory for all Federal agencies. However, the greatest challenge will be NARA's ability (with vendor support) to effectively meet stakeholder needs, while operating and maintaining a system whose development failed to meet core benchmark requirements and lacks originally envisioned capabilities.

*Audits, investigations, and reviews performed in FY 2012:*

- Inadequate Contingency Planning Continues to be a Significant Risk for the ERA System (Advisory Report)
- Access to Records in the Base Electronic Records Archive System
- The National Archives and Records Administration's Reliance on Legacy Systems to Meet Electronic Records Mission Needs (Advisory Report)
- Management Letter on Contract Oversight

## **2. Improving Records Management**

Part of NARA's mission is safeguarding and preserving the records of our government, thereby ensuring people can discover, use, and learn from this documentary heritage. NARA provides continuing access to the essential documentation of the rights of American citizens and the actions of their government. The effective management of these records 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, in both traditional and electronic formats. 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, particularly e-mail, proliferate. In short, while the ERA system is intended to work with electronic records received by NARA, we need to ensure the proper electronic and traditional records are in fact preserved and sent to NARA in the first place.

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 their permanent electronic records to NARA, in an increasing variety of data types and formats. In June 2008, GAO recommended NARA develop and implement an approach to provide oversight of agency electronic records management programs, to provide adequate assurance that NARA guidance is effective and the 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.

In November 2011, Presidential Memorandum – Managing Government Records was signed. This memorandum marked the beginning of an Executive Branch-wide effort to reform records management policies and practices and to develop a 21st century framework for the management of Government records. In August 2012, OMB issued Memorandum 12-18, Managing Government Records Directive. This Directive creates a robust records management framework that complies with statutes and regulations to achieve the benefits outlined in the Presidential Memorandum. This Directive requires that to the fullest extent possible, agencies eliminate paper and use electronic recordkeeping. It is applicable to all executive agencies and to all records, without regard to security classification or any other restriction. This Directive also identifies specific actions that will be taken by NARA, the Office of Management and Budget (OMB), and the Office of Personnel Management (OPM) to support agency records management programs.

*Audits, investigations, and reviews performed in FY 2012:*

- Audit of the Management of Records at the Washington National Records Center

### 3. Information Technology Security

The Archivist identified IT Security as a material weakness under the Federal Managers' Financial Integrity Act reporting process beginning in FY 2007. NARA's Office of Information Services (I) 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. Over five years later, NARA officials continue to work to address weaknesses identified during the assessment.

IT security continues to present major challenges for NARA, including physical security of IT hardware, and technical vulnerabilities within our electronic systems themselves and how NARA operates them. Annual assessments of NARA's compliance with the Federal Information Security Management Act have consistently identified program areas in need of significant improvement. The confidentiality, integrity, and availability of our electronic records and information technology systems are only as good as our IT security infrastructure.

A GAO report issued in FY 2011 identified significant weaknesses in access controls and other information security controls. In FY 2012, the NARA OIG contracted with Information Management Resources, Inc to assess NARA's current and planned network architecture and design and provide recommendations to improve performance, security, and efficiency of the network. The audit identified multiple deficiencies with the network architecture, many of which stem from the lack of strategic planning with regard to the redundancy and resiliency and overall design of the network. These issues not only allow for security and performance problems, but they inhibit NARA IT management from effectively establishing a tactical and innovative strategy for the next generation of NARANet. Each year, 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 2012:*

- Management Letter on Network Outage
- Audit of the Data Center Consolidation Initiative at NARA
- IMRI Network Discovery and Assessment Report
- Audit of NARA's Classified Systems

### 4. Expanding Public Access to Records

The records of a democracy's 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. Unfortunately, approximately half of NARA's textual holdings have not been processed to allow efficient and effective access to these records. To meet its mission, NARA must work to ensure it has the processes and resources necessary to establish intellectual control over this backlog of unprocessed records.

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. ERA's diminished access capabilities compound this

problem. NARA's role in ensuring the timeliness and integrity of the declassification process of classified material held at NARA is also vital to public access.

*Audits, investigations, and reviews performed in FY 2012:*

- Audit of the Management of Records at the Washington National Records Center

## **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, is in compliance with these regulations; and effectively mitigates risks to records which are stored in facilities not meeting these standards.

*Audits, investigations, and reviews performed in FY 2012:*

- Audit of the Management of Records at the Washington National Records Center

## **6. Preservation Needs of Records**

As in the case of our national infrastructure (bridges, sewer systems, etc.), NARA holdings grow older daily and face degradation associated with time. This affects both traditional paper records, and the physical media that electronic records and audio/visual records are stored on. Per management, preservation resources have not been able to adequately address the growth in holdings needing preservation action. As a result, backlogs have grown and NARA is not projected to meet its long range performance target for FY 2016. Preserving and providing access to records is a fundamental element of NARA's duties to the country, and NARA cannot provide access to records unless it can preserve them for as long as needed. The backlog of records needing preservation action continues to grow. NARA is challenged to address this backlog and future preservation needs, including the data integrity of electronic records. 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.

*Audits, investigations, and reviews performed in FY 2012:*

- Audit of the Management of Records at the Washington National Records Center

## **7. Improving Project Management**

Effective project management, particularly for IT projects, 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 providing oversight to ensure effective or efficient results within costs. Currently, IT systems are not always developed in accordance with established NARA guidelines. These projects must be better managed and tracked to ensure cost, schedule, and performance goals are met.

As an example, GAO reported NARA did not document the results of briefings to its senior management oversight group during the development of NARA's largest IT project, the ERA program. There is little evidence the group identified or took appropriate corrective actions, or ensured such actions were taken and tracked to closure. Without adequate oversight evaluating

project progress, including documenting feedback and action items from senior management, NARA will not be able to ensure projects are implemented at acceptable cost and within reasonable time frames. GAO also reports NARA has been inconsistent in its use of earned value management (EVM), a project management approach providing objective reports of project status and early warning signs of cost and schedule overruns. Inconsistent use of key project management disciplines like EVM limits NARA's ability to effectively manage projects and accurately report on their progress.

## 8. Physical and Holdings Security

The Archivist has identified security of collections as a material weakness under the FMFIA reporting process. Document and artifact theft is not a theoretical threat; it is a reality NARA has been subjected to time and time again. 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 risk our holdings may be pilfered, defaced, or destroyed by fire or other man-made and natural disasters. Not only do NARA's holdings have immense historical and financial value, but we hold troves of national security information as well. Developments such as the creation of the Holdings Protection Team and implementation of stricter access controls are welcome additions to NARA's security posture and should be commended. However, NARA must continually strive to improve in this area.

*Audits, investigations, and reviews performed in FY 2012:*

- Follow-up Review of OIG Audit Report No. 08-01: Audit of the Process of Safeguarding
- and Accounting for Presidential Library Artifacts
- OI Mgmt Letter - Security Incidents at AI
- Audit of NARA's Classified Systems
- Veterans' Record Issues (Management Letter)
- Investigation on Contract Guard Misconduct
- Investigation on Veteran Benefit Fraud
- Investigation on Missing Photographs, and U.S. Mint Documents
- Investigation on Clipped Signatures

## 9. Contract Management and Administration

The GAO has identified Commercial Services Management (CSM) as a government-wide initiative. The CSM 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 to improve the management and oversight of Federal contractors. NARA is also challenged with reviewing contract methods, to ensure a variety of procurement techniques are properly used in accordance with laws, regulations and best practices.

*Audits, investigations, and reviews performed in FY 2012:*

- Audit of NARA's Parking Program
- Management Letter on Contract Oversight
- Investigation on Contract Guard Misconduct

## **10. Management of Internal Controls**

The Office of Management and Budget (OMB) Circular A-123, Management's Responsibility for Internal Control, explains management is responsible for establishing and maintaining internal control to achieve the objectives of effective and efficient operations, reliable financial reporting, and compliance with applicable laws and regulations. NARA's challenge is to ensure the agency is in compliance with the regulation; and to develop and fully implement an Internal Control program. GAO also reported NARA had not established an enterprise risk management capability reducing its ability to anticipate future challenges and avoid potential crises. Currently, the agency is vulnerable to risks that may not be foreseen or mitigated and does not have the ability to self-identify and appropriately manage or mitigate significant deficiencies. Establishment of an Internal Control program is critical as it provides several benefits including (1) improved decision making, (2) risk identification, management, and mitigation, (3) opportunities for process improvement, (4) effective use of budgeted resources, and (5) strategic planning.

*Audits, investigations, and reviews performed in FY 2012:*

- Audit in process

## **FEDERAL MANAGERS' FINANCIAL INTEGRITY ACT REPORT**



### **FY 2012 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 four 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), internal control evaluations, and other evaluations conducted in NARA's program and staff offices. It is also based on senior management's knowledge gained from the daily operations of NARA programs and systems. I have also considered the advice of the Inspector General concerning this statement of assurance.

The qualification in this assurance statement includes material weaknesses in holdings protection, artifact inventory controls in Presidential Libraries, information technology and systems security, and preservation of archival records. Efforts to fully resolve these material weaknesses are monitored by NARA's Management Controls Oversight Committee (MCOC), a senior oversight body, and results are reported directly to me.



David S. Ferriero  
Archivist of the United States

## FY 2012 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 control objectives noted in the Archivist's statement of assurance are consistent with FMFIA objectives.

Office of Management and Budget (OMB) Circular A-123, Management's Responsibility for Internal Control, requires federal agencies report material weaknesses in the annual FMFIA report. This reporting is to include a summary of the corrective action plans, including a description of the material weakness, status of corrective actions, and timeline for resolution.

The following tables reflect the number of material weaknesses reported by NARA under Section 2 of FMFIA in recent years.

### SUMMARY OF FINANCIAL STATEMENT AUDIT

Audit opinion	Unqualified
Restatement	No

Material Weakness	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Overstatement of unfilled customer orders and available budgetary authority	1	0	1	0	0

### SUMMARY OF MANAGEMENT ASSURANCES EFFECTIVENESS OF INTERNAL CONTROL OVER FINANCIAL REPORTING

#### Statement of Assurance: Unqualified

Material Weakness	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Overstatement of unfilled customer orders and available budgetary authority	1	0	1	0	0

**EFFECTIVENESS OF INTERNAL CONTROL OVER OPERATIONS**

**Statement of Assurance: Qualified**

Material Weakness	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Holdings Protection	1	0	0	0	1
Information Systems and Technology Security	1	0	0	0	1
Presidential Libraries Artifact Inventory Controls	1	0	0	0	1
Preservation of Archival Records	1	0	0	0	1
Traditional Records Processing	1	0	1	0	0
<i>Total Material Weaknesses</i>	5	0	1	0	4

**Holdings Protection**

Identified in FY 2001, it was agreed at that time actions would be taken in five broad areas: Policy and Procedures; Training; Security for Records Storage Areas; Internal Controls; and, Loss Prevention and Response. Since 2001 numerous actions have been taken and documented. A Holdings Protection Team, in coordination with the Safety and Security division, has made great strides in identifying and completing key actions in the areas of policy development; risk assessment; information and communications; outreach; and training. Most of the action items identified in the FY 2012 action plan have been accomplished or are well underway, including implementation of exit screening at the St. Louis Archives Way facility in September 2012. We have made enormous strides in improving holdings protection, and created a culture in which staff are more cognizant of security obligations. We are now a leader among cultural institutions, with much of our success attributable to the HPT and the Archival Recovery Team.

In the coming year we will focus on (1) establishing a risk-based approach to implementing exit screening at facilities outside of the DC Metro area to make the greatest use of existing resources, and (2) testing and monitoring controls put in place to assess the degree to which they are functioning as intended.

**Information Systems and Technology Security**

Since FY 2002, we have reported and resolved several weaknesses in NARA's information systems and technology security. In FY 2011, NARA reassessed all open recommendations, from all sources (OIG, GAO, NARA internally contracted studies), and concluded that a material weakness continues to exist. As a result of the review, the

Material Weakness was reframed as consisting of the risks posed by the need to improve controls over resolving, responding to, tracking, and closing recommendations in a systematic, consistent, and timely manner.

In FY 2012, the CIO and his staff made excellent strides in addressing the weakness through implementation of a process that risk ranks recommendations and development of metrics reflecting Information Services progress in adequately managing recommendations and the risks they pose. This risk-based approach will help to reasonably ensure limited IT resources are directed to those areas that present the greatest risks to NARA.

In FY 2013, we will test and monitor the controls put in place to assess the degree to which they are functioning as intended.

### **Presidential Libraries Artifact Inventory Controls**

First reported in FY 2008, the primary weaknesses were identified as (1) the lack of accurate and complete initial artifact inventories at presidential libraries, (2) lack of sufficient audit capability within the collections management database used by all libraries, and (3) lack of sufficient re-inventorying guidance. While the libraries continue to improve controls associated with their ability to secure and account for artifacts, we will focus on closing action in two significant areas in FY 2013: (1) completing initial inventories and reconciliations at existing libraries and (2) implementing a new collections management database that addresses control weaknesses noted in our current database.

### **Archival Records Preservation**

In FY 2007, we identified a material weakness in archival records preservation. Every cultural institution faces an enormous need for additional preservation resources. NARA is no different—the volume of incoming archival records outpaces our ability to keep up with preservation needs. Preservation risks are further exacerbated by the volume of electronic records and challenges associated with a proliferation of record formats. We have effectively addressed preservation of the vast majority of our holdings by putting in place controls such as upgrading storage environments, compiling preservation needs data at the series level, establishing protocols for basic holdings maintenance work, and establishing protocols to protect records used in research rooms. While this work must continue and aids our efforts to stabilize the condition of our collection, we must turn our attention to those records in imminent need of preservation action—the smaller volume of holdings that are nearly unusable or could be lost if not treated within the next decade due to severe physical deterioration or risk of obsolescence.

We have effective programs for treating these endangered records in our conservation and special media labs and for digitizing records in all media. But, our capacity is overwhelmed by the volume of work needed. Therefore, we need renewed attention, new

approaches, and possibly more resources directed to identify and then treat the collection/series or the specific items within them that are in imminent danger.

In FY 2013 we will focus on improving a risk-based approach to identifying and treating the highest priority records and developing performance measures that more accurately capture our progress in doing so. We believe that a risk-based approach will aid us in our efforts to make the most effective and efficient use of resources.

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