PRESERVING THE PAST
TO PROTECT THE FUTURE

National Archives and Records Administration

2013 Performance and Accountability Report

NATIONAL
ARCHIVES

Preserving the Past
to Protect the Future

2013 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 2013. 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 2013.

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 grounded in the belief that citizens have the right to see, examine, and learn from the records that guarantee their rights and hold the Government accountable for its actions. The records and artifacts we protect and provide access to are the keys to unlocking 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, presenting new ways for users to interact with the records.

We are more than half-way through a five-year internal transformation process. Part reorganization and part modernization, this staff-driven effort is helping us increase efficiency and effectiveness for our customers. 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 21st century.

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

- An important element in helping the Executive branch reform records management policies and practices for the 21st century, we developed a new records management approach, known as "Capstone," for managing Federal record emails electronically.

- We opened the George W. Bush Presidential Library, the 13th Presidential Library that NARA manages.

- With the support of grants from NARA's National Historical Publications and Records Commission, and in close cooperation with the University of Virginia, we expanded public access to more than 100,000 documents written by or to the Founding Fathers through the website, www.founders.archives.gov. *Founders On-Line* provides access to the words of the founders of our nation and provides notes to ease understanding. It rests on the hard work of scholars, archivists, and others who supported the research over the last 60 years. The materials document daily life during the founders' lifetimes as well as the crucial debates about independence, government, and freedom to which they contributed.

- We won the second annual Walter Gellhorn Innovation Award from the Administrative Conference of the United States for our Citizen Archivist Initiative.

- We reduced overall energy consumption at NARA facilities by 27 percent in one year alone, including meeting our greenhouse gas reduction targets well ahead of the 2020 target date.

We also took important steps to ensure that our resources have proper oversight and are well managed. 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 three material weaknesses—holdings protection, 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 the results of a more robust, risk-based internal controls program implemented across the agency over the last two years, as well as the results of audits and evaluations conducted by the Government Accountability Office, NARA's Office of Inspector General, and other audit entities. 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 2013, 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. As NARA staff continue their work to transform the agency, we want to further engage you in the ongoing conversation of how NARA can best serve the citizens.

David S. Ferriero
Archivist of the United States

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Winners of the National History Day competition enjoy the launch of the Founders Online *website, developed with the help of the University of Virginia Press.*

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, 2012, through September 30, 2013.

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 2013. 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 2013. 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 2013 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.

Jean Huets @JeanHuets Follow

#preamble We're getting together to constitute a nation that's just, peaceful, strong, prosperous and free. Are you in?

11:09 PM - 13 Sep 2012

10 RETWEETS 3 FAVORITES

In honor of the 225th anniversary of the Constitution, we challenged citizens on Twitter to capture the essence of the 52-word Preamble in just 140 characters. The Archivist of the United States David Ferriero chose the winner of the "Tweet the Preamble" challenge!

Our Strategic Goals

Throughout this year, NARA leadership worked to develop a set of strategic goals and objectives that reflect our efforts to transform NARA into an agile and modern information agency. Our 2014 performance report will show progress against the new Strategic Plan.

FY 2013 is the last year we will report against our existing Strategic Plan, updated in 2009. 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.

All five living Presidents pose for a picture at the April 25, 2013, dedication of the George W. Bush Presidential Library. From left, Presidents Jimmy Carter, William J. Clinton, George H.W. Bush, George W. Bush, and Barack Obama. Photo by Paul Morse, courtesy of George W. Bush Presidential Center.

The Library is the first of the Presidential Libraries to fully reflect the use of electronic records. The Library includes 70 million pages of textual records; 40,000 artifacts; 4 million photographs; and 80 terabytes of electronic information, including 200 million emails of about five pages each, or 1 billion pages.

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:

Bronze eagle medallion decorates the floor of the new Visitor Orientation Plaza at the National Archives Building in Washington, D.C.

- 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 new Strategic Plan, which will be issued in 2014, will reflect the values and transformational goals we have set for NARA in the coming years. More information about that plan is available at www.archives.gov/about/plans-reports/.

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.

National Archives and Records Administration

Office of Inspector General		Equal Employment Opportunity
National Historical Publications and Records Commission	**Archivist**	General Counsel
Office of Innovation	Deputy Archivist	Congressional Affairs
Strategy and Communications		Human Capital Office

Chief Operating Officer

Corporate Records Management	Performance & Accountability

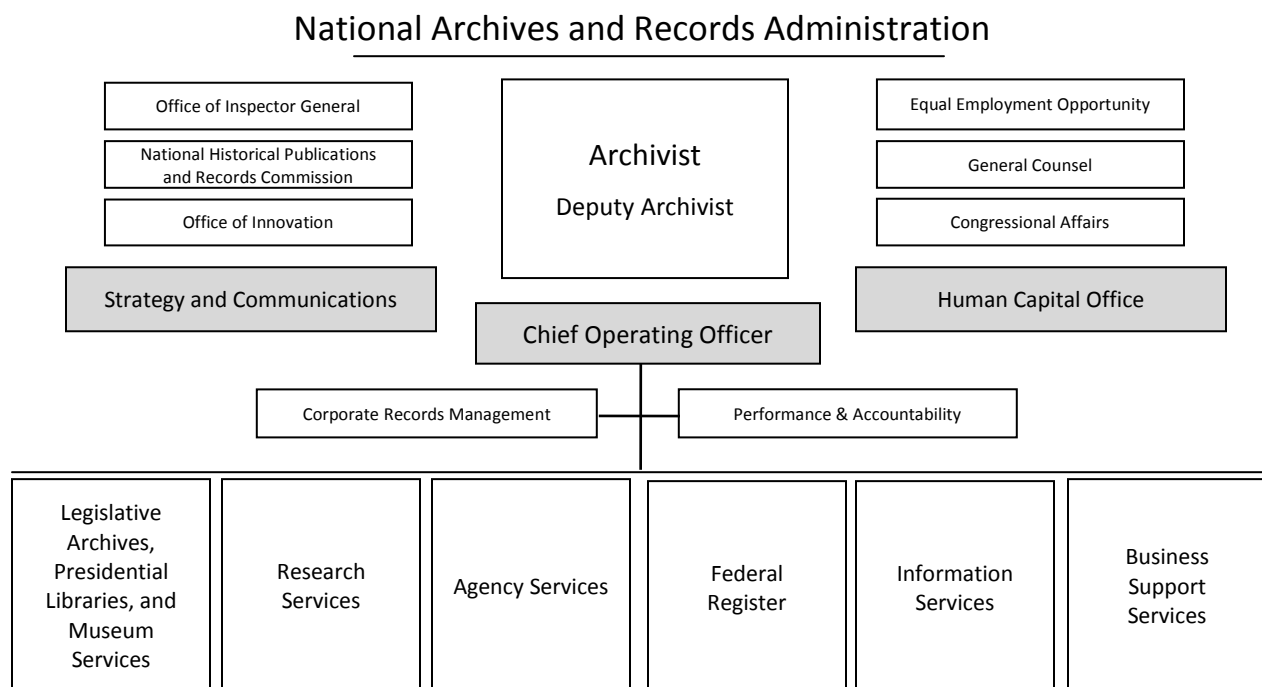| Legislative Archives, Presidential Libraries, and Museum Services	Research Services	Agency Services	Federal Register	Information Services	Business Support Services

Figure 1. NARA's Organization Chart (as of September 30, 2013)

Personnel on Board*

All funds as of September 30, 2013	Washington, DC, Area			Other NARA Locations			Nationwide Total		
Programs	Full—Time Perm	Other	Total	Full—Time Perm	Other	Total	Full—Time Perm	Other	Total
Presidential Libraries	27	0	27	372	80	452	399	80	479
Legislative Archives, Presidential Materials, & Public Programs	86	7	93	15	0	15	101	7	108
Research Services	502	96	598	163	35	198	665	131	796
Office of Innovation	101	3	104	0	0	0	101	3	104
Agency Services	339	7	346	982	220	1,202	1,321	227	1,548
Electronic Records Archives	39	0	39	4	0	4	43	0	43
Federal Register	68	0	68	4	0	4	72	0	72
Office of Inspector General	22	0	22	0	0	0	22	0	22
Total	**1,184**	**113**	**1,297**	**1,540**	**335**	**1,875**	**2,724**	**448**	**3,172**

* Admin Staff distributed across Program Offices

Our Citizen Archivist initiative received the Walter Gelhorn Innovation Award from the Administrative Conference of the United States in December 2012. Ash Center for Democratic Governance and Innovation at Harvard named it a Top 25 program in the Innovations in American Government Award in May 2013.

The portal for NARA's crowd sourcing activities invites public participation in tagging, transcription, editing articles, uploading images, and contests.

An Overview of the Challenges Facing NARA

James Madison said, "The advancement and diffusion of knowledge is the only guardian of true liberty." That belief underscores the National Archives' relevance to the world today and is fundamental to our work and to the President's commitment to openness and transparency. To keep democracy healthy and vibrant, we believe strongly that information must be circulated and made available for use by as many people as possible.

We believe NARA's role in ensuring openness and an informed citizenry has never been more important than it is today. In meeting our mission, we wrestle with the challenges of preserving and providing access to a collection that includes roughly 12 billion sheets of paper, 42 million photographs, miles of video and film, and more than 520 Terabytes of electronic records. At the same time, we strive to make that content discoverable and bring it to where citizens are most likely to find and use it.

Shortly after celebrating the National Archives 75th birthday, we turned our attention to how to transform the agency for the next 75 years so that it is better aligned to serve the changing needs of customers today and in the future. Our largest challenge 75 years ago was in finding the records and bringing them together in one place. Today, our challenges center on the sheer volume, rapid changes in technology, and evolving expectations of the public. To put our challenges in context, consider that at the end of FY 1985 (when NARA became an independent agency), we had a staff of 3,096 and archival holdings of 1,470,224 cubic feet. Since then, our staff has increased by 76, to 3,172, and our archival holdings have increased by 3,139,004 cubic feet, to 4,619,228 cubic feet. During this period we also staffed four additional Presidential Libraries, the Information Security Oversight Office, and the Office of Government Information Services.

We've mobile-optimized FederalRegister.gov!
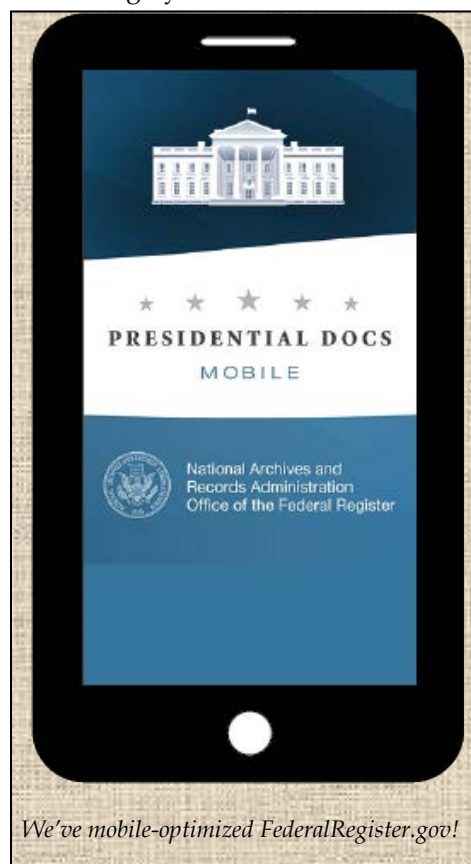
Three years ago, NARA began a multi-year process of transformation that is resulting in an organization better aligned to serve our customers. As we better understand our customers' needs through new perspectives afforded us by a realigned organization, we increasingly seek opportunities to communicate 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 solve the complexities of ensuring that their 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:

- Fulfilling 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), a Records Management Directive (August 24, 2012), and guidance on a new approach to managing email records (NARA Bulletin 2013-02, August 29, 2013). NARA is playing a vital role in building a framework for Federal records management in the 21st century. We must continue to identify and address the deficiencies that compromise effective records management across the Federal Government, because this work is fundamental to providing access to the essential information documenting the rights of American citizens and the actions of their government.

- We must tackle storage and space issues that challenge us in housing and preserving historically valuable records transferred to our custody. Preservation challenges, which are a fact of life in an archival institution, are growing in number and
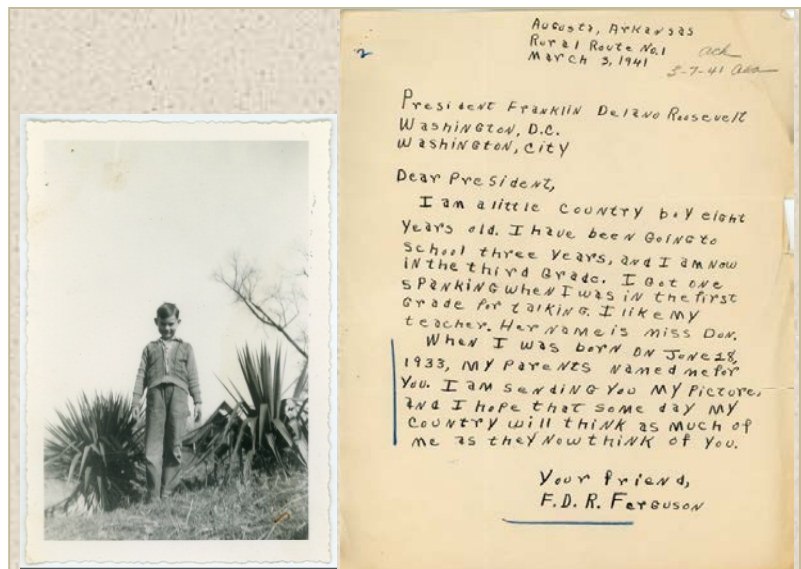
Sherri DeCoursey found a surprising piece of her father's history at the Franklin D. Roosevelt Presidential Library. Sherri's father, Forest Delano Roosevelt Ferguson, had been named after President Roosevelt. In 1941 when he was just eight years old, he wrote a letter to the President. For many years, Mr. Ferguson kept the reply he received from President Roosevelt's secretary, Missy LeHand, in a frame along with a picture of President Roosevelt.

Sherri pondered, "What would an eight-year-old write to the president?" Her father, now 80 years old, could not recall exactly what he wrote. The mystery of what was in the correspondence propelled Sherri to search for her father's original letter. Sherri emailed staff at the FDR Presidential Library to see if they could help. In less than two weeks, she received an email with a copy of her father's original letter to the President along with a copy of a picture of her father that he had enclosed with the letter to the President. Sherri surprised her father with the documents she recovered. He was flabbergasted that the FDR Library had retained his correspondence for seventy-two years.

complexity. We face new facility and technological challenges in preserving paper, electronic, special media, and artifacts.

- Storage and preservation needs must be balanced with our 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 met so that the records may be used promptly and easily now and in the future.

- 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. This challenge includes the timely processing of permanent records (regardless of format) as they are transferred to us, innovations in description and tagging so the public can find the records they need, and security solutions that protect the integrity and reliability of electronic information. 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 transition from an institution that manages information in primarily a physical format to one that also manages large volumes of information in an electronic format, we must focus on revising our processes and redefining our work force competencies to meet the evolving expectations of all those we serve.

- 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 to move 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.

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.

Arlington Cemetery

A deceased U.S. Army World War II veteran, who would have otherwise gone unrecognized, will have a burial with full military honors at Arlington Cemetery in 2014. Odis Fredrick Quick (1916-2013) died in a hospice in mid-May. Prior to his death, Odis attempted to contact his only known relatives, but was unsuccessful. His body was taken to the Cunningham Funeral Home in Alexandria, VA, and remained there from mid-May until mid-August when a neighbor voluntarily provided assistance.

Rod Ross, an archivist in the Center for Legislative Archives, lives in the same building where Odis lived prior to hospice care. Rod did not know Odis very well. However, when Rod learned that Odis was a veteran and had not received a proper burial, he took on the responsibility of finding the necessary documentation to satisfy the Veterans Administration (VA) so that Odis could have a military burial. Rod contacted fellow NARA employee Bill Seibert, Chief of Archival Operations at the National Archives in St. Louis. That same day, Bill faxed Rod the appropriate paperwork to prove to the VA that Odis was entitled to veteran's funeral benefits.

The records needed to confirm that Odis was eligible for veteran's benefits were no longer held by the National Archives. A fire in 1973 destroyed a major portion of the Army military personnel records for the period 1912 through 1959. However, through alternative records sources, the National Archives was able to provide a partial reconstruction of Odis' service record, who in 1942 was commissioned a 2nd lieutenant in the U.S. Army. In 2014, Odis will receive a 21-gun military send-off. There will be a funeral service in the chapel of nearby Fort Myer, and then the urn with Odis' ashes will be taken to Arlington's columbarium.

Performance Highlights
Using the National Archives and Records Administration in FY 2013

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 2013.

	Researcher Visits	Written Requests	Public & Education Program Attendees	Exhibit/ Museum Visitors	Online Visits
Federal Register	–	1,153	232	–	293,609,316
Legislative Archives	–	803	–	–	–
National Personnel Records Center	–	1,010,083	–	–	–
Nationwide Records Mgmt Training	–	–	2,582	–	**—**
National Archives at Anchorage	551	300	299	0	–
National Archives at Atlanta	3,513	1,883	5,309	7,836	–
National Archives at Boston	4,492	2,630	2,827	1,578	–
National Archives at Chicago	2,785	2,743	892	155	–
National Archives at College Park	49,188	21,761	5,988	0	–
National Archives at Denver	1,956	380	898	0	–
National Archives at Fort Worth	3,359	2,293	9,790	0	–
National Archives at Kansas City	2,847	3,328	6,908	2,987	–
National Archives at New York	3,484	2,487	7,676	1,801	–
National Archives at Philadelphia	1,918	1,246	2,640	0	–
National Archives at Riverside	1,763	2,167	468	0	–
National Archives at St. Louis	2,853	99,845	1,308	0	–
National Archives at San Bruno	2,274	2,787	181	150	–
National Archives at Seattle	1,983	1,226	1,684	146	–
National Archives Building (DC)	20,682	6,923	**43,410	823,634	**—**
Totals	**103,648**	**1,164,038**	**93,092**	**838,287**	**—**
Presidential Libraries					
Hoover	391	1,093	20,792	46,023	311,910
Roosevelt	1,067	1,933	23,574	123,087	579,632
Truman	684	2,226	45,143	64,413	2,791,590
Eisenhower	1,396	3,004	40,978	175,947	784,025
Kennedy	1,250	5,111	25,394	254,622	3,481,987
Johnson	1,609	3,282	30,499	126,508	1,832,179
Nixon	1,444	1,404	17,630	67,895	1,049,527
Ford	512	1,054	22,548	320,930	1,179,954
Carter	617	659	16,335	53,048	611,420
Reagan	942	550	55,881	426,344	1,596,677
Bush 41	507	1,083	201,017	142,412	1,007,358
Clinton	130	1,355	221,002	321,225	795,723
Bush 43	41	856	9,778	232,856	1,596,469
Presidential Library Other***	–	149	–	–	883
Presidential Libraries Total	**10,590**	**23,759**	**730,571**	**2,355,310**	**17,619,334**
Archives.gov	–	–	–	–	29,351,833
Our Documents.gov	–	–	–	–	2,631,466
GRAND TOTAL	**114,238**	**1,187,797**	**823,663**	**3,193,597**	**49,602,633**

* 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 2013 performance. Highlights of some of this year's major accomplishments under each strategic goal follow the chart.

Snapshot of 2013 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)

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.
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	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 *Target*	2013 Actual
Percent of agencies achieving a passing score for compliance with Federal records management policy	–	22	6	10	20	–	–
Percent of Federal agency customers that are highly satisfied with NARA records management services	–	81	–	–	–	–	–
Percentage point growth in records management transactions in the Federal Records Centers	–	–	2.3	1.6	1.1	*1*	1.9
High Priority Measure: Percent of requests for military personnel records answered in 10 working days or less (target 85 percent by 2012)	72	70	70	77	73	*85*	68

We are working diligently to meet the goals set in Managing Government Records Directive, issued by OMB and NARA last year to modernize the management of Government Records and reform records management policies and practices in the Federal Government, with an emphasis on managing electronic records. An important element in helping the Executive branch reform records management policies and practices for the 21st century, we developed a new records management approach, known as "Capstone," to provide agencies with a practical solution for electronically managing their Federal record emails. The Capstone approach provides agencies with a method for managing both permanent and temporary email records that would capture as permanent records the emails of those in an agency most likely to create or receive permanent records, for example, officials at a high level in an agency. All other email accounts would be assessed as temporary records. This is one approach that allows agencies to comply with the requirement to manage all email in an accessible format by December 31, 2016.

We continued our program for agency self-assessments of Federal records management programs, targeted inspections by NARA staff, and reporting standards for making public our findings. To allow agencies more time to incorporate the results of their mandatory self-assessments, we have moved to a bi-annual self-assessment process. The next self-assessment will be conducted in FY 2014. We recently released the results of the fourth annual self-assessment for FY 2012, which was conducted June through October 2012. The 2012 report *Records Management Self-Assessment 2012: An Assessment of Records Management Programs in the Federal Government* can be found at *http://www.archives.gov/records-mgmt/resources/self-assessment-2012.pdf*. The results of each year's assessment are used to identify key areas to target for inspection.

Key findings from the 2012 are that many agency records management staff are participating in the design and development of electronic systems,

In 1973, a massive fire destroyed millions of records in the National Personnel Records Center in St. Louis, MO. Staffer Donna Judd spends each day carefully searching for valuable information for veterans in the documents left burned and brittle. Veterans need these records—often urgently—to claim health benefits, receive medals, or secure a military burial. About 250 records arrive in her office every week. Judd and another staff member, Jeannette Crowder, and three part-time staff members Wanda Dalton-Devore, Quintin Braggs, and Carol Berry processed more than 11,000 records last year.

Judd's careful work has rewards. One single request for a record once yielded documents for 12 separate soldiers. These veterans, who may have been told in the past that their files were lost in the fire, can now request successfully their valuable service records. For Judd, the importance of her work each day goes beyond the challenge of carefully handling a crumbling document. "You have to have people who care about the records," says Judd, "but you also have to have people who care that the vets who served this country get what they deserve."

working on issues related to electronic records, a positive sign that records management issues, particularly as they relate to electronic records, are being addressed early in the process of system development. However, many agencies still lack a clear understanding of internal controls and the need to test them regularly to assess effectiveness. NARA recommendations, which are part of the report, are targeted at executive actions to improve records and information management in Federal agencies.

Timely responses to requests from our customers are important to NARA. Our Federal Records Centers fulfilled agency reference request on time 95 percent of the time. 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 has been an agency high priority goal for us for several years. Despite our best efforts, and the upgrade of our case management system, we failed to achieve our target of 85 percent of military personnel records responded to within 10 working days. Instead, we responded to 68 percent within 10 working days and experienced a slight drop in customer satisfaction. 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. We took some steps to improve the timeliness of our internal processes for non-fire related holdings. If we look at only at our responsiveness to military separation requests (DD-214s), we answered 95 percent in 10 working days or less.

Strategic Goal 2: Preserve and Process the Nation's Records
Results: We met 6 out of 7 performance measures.

Goal 2: We will preserve and process records to ensure access by the public as soon as legally possible
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 as assessed by 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.

Performance Indicator	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	*2013 Target*	2013 Actual
Percent of transfers of targeted archival records received on time (electronic only for FY 2012)	40	21	27	20	37	*35*	25
Percent of archival holdings that have been processed to the point where researchers can have efficient access to them	30	41	47	53	60	*65*	65
Percent of agency declassification reviews that receive high scores as assessed by ISOO	36	53	67	81	94	*90*	100
Number of pages completing quality assurance for declassification processing (in millions) since January 1, 2010	–	–	–	108	202	*300*	302
High Priority Measure: Percent of NARA archival holdings in appropriate space (target 85 percent by 2012)	73	70	71	78	94	*83*	95
High Priority Measure: Percent of NARA records center holdings in appropriate space (target 85 percent by 2012)	–	–	59	65	80	*90*	97
Number of cubic feet of holdings treated this fiscal year (in thousands)	125	116	110	79	107	*65*	98

Our commitment to ensuring access to the records of our nation depends heavily on getting the records transferred from agencies to NARA on schedule. In FY 2013, we shifted to fully integrating our Electronic Records Archives (ERA) into our business processes for transferring records to NARA. This transition promotes a more controlled environment over transfer requests and makes it possible for agencies and NARA to follow each step of the accessioning process in ERA. To accommodate this business process shift, NARA staff assisted agencies in preparing transfer documentation for direct offers of permanent electronic records.

We continue to aggressively address our backlog of unprocessed records and met our target again this year. 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 65 percent in FY 2013, the processing backlog of textual and audiovisual records has grown over the decades, and is an ongoing problem for all archival institutions. One of the methods we are using to process the backlog more quickly is to perform only enough description of the holdings that their physical location and basic information about their content is captured, enabling researchers to efficiently locate the holdings. The processing of Presidential records differs from processing Federal records because of requirements in *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.

Inside NARA's electronic records data center.

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 354 million pages. We performed end-to-end tracking on the new backlog, with more than 302 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 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.

NARA Staffers Courtney Egan and Deon Hankins discuss the challenges of preserving audio and video collections with a visitor at the second annual Preservation EXPOsed, held March 14, 2013, at the National Archives Building in Washington, DC.

The renovation of the aging Franklin D. Roosevelt Library was completed this year without interruption to researchers and visitors. The completed renovations 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 National Archives Experience Phase II is needed to improve visitor flow and access to the exhibits and create space for a new exhibit gallery, *Freedom Hall* (David M. Rubenstein Gallery), at the National Archives in Washington, DC. This gallery will create the opportunity for visitors to connect our country's 18th century struggle for liberty with our world today. This year we made substantial progress toward the completion of the David M. Rubenstein Gallery and the Visitor Orientation Plaza infrastructure to support the installation of exhibits managed by the Foundation for the National Archives. We expect to open the gallery in early FY 2014.

NARA's mission is rooted in preserving and providing access to the permanent records of the Federal Government—now, and in the future. About 53 percent of NARA's textual and non-textual records need some type of preservation action, ranging from conservation to re-foldering 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 2013, we treated nearly 98,000 cubic feet of holdings needing preservation action, exceeding our target of 65,000 cubic feet.

Despite the energy-intensive mission of preserving America's documentary heritage within strict temperature and humidity parameters, we consistently exceed all goals to decrease energy use per square foot, decrease potable water use per square foot, establish inventories of direct and indirect GHG emissions, and increase renewable energy use. Our FY 2013 scorecard on sustainability and energy performance reflects this commitment. We have

already met our scopes 1 and 2 greenhouse gas reduction goals well ahead of the 2020 target date. We achieved a 27.3 percent energy reduction this year alone.

Strategic Goal 3: Managing Electronic Records
Results: We met 2 out of 2 performance measures (1 measure under development).

Goal 3: We will address the challenges of electronic records in Government to ensure success in fulfilling NARA's mission in the digital era.
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 *(measure under development).*   3.3: By 2016, the per-megabyte cost of managing archival electronic records through Electronic Records Archives (ERA) continues to decrease each year.

Performance Indicator	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	*2013 Target*	2013 Actual
Percent of archival electronic accessions processed	86	88	88	83	87	*88*	89
Per megabyte cost of managing electronic records decreases each year	$0.39	$0.36	$0.15	$0.12	$0.03	<$0.03	$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. Our Electronic Records Archives (ERA) was created to help 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.

ERA, 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 the year, we continued improving the operational performance of ERA and reduced the footprint of some of our production systems by moving them to the cloud. We are using customer feedback to improve the user experience.
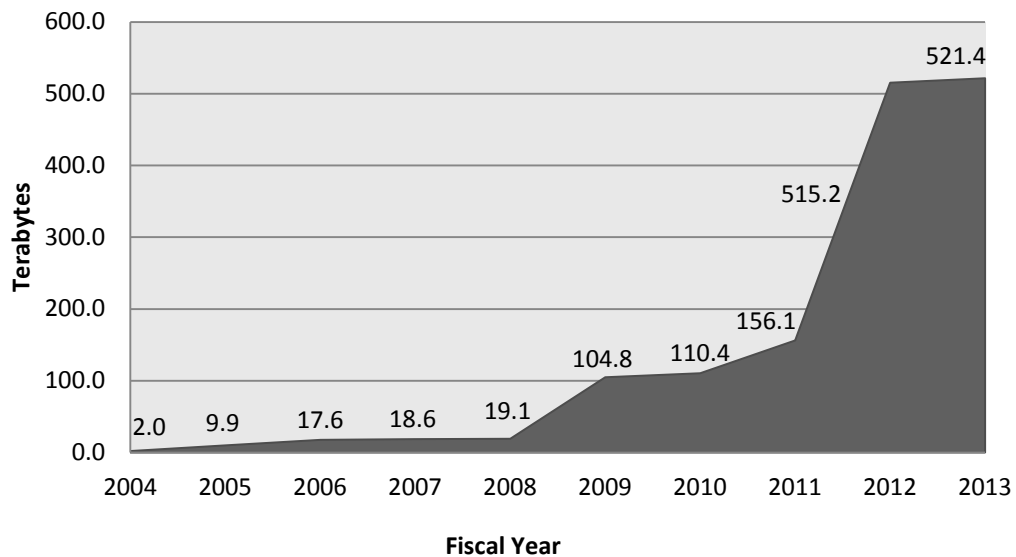
NARA's Electronic Holdings

Figure 2. Growth in Total Electronic Holdings Managed by NARA

Strategic Goal 4: Providing Access to Records

Results: We met 6 out of 8 performance measures

Goal 4: We will provide prompt, easy, and secure access to our holdings anywhere, anytime.
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 (expired).

Performance Indicator	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Target	2013 Actual
Percent of written requests answered within 10 working days.	94	95	93	95	97	94	97
Percent of items requested in our research rooms furnished within 1 hour of request or scheduled pull time.	93	93	96	97	98	95	98
Percent of Freedom of Information Act requests for Federal records completed within 20 working days.	89	86	89	89	83	90	83
Percent of online archival fixed-fee reproduction orders completed in 20 working days or less	68	90	96	96	95	93	93
Percent of traditional archival holdings available online	0.04	0.04	0.6	0.8	1.2	1.2	1.2
Percent traditional holdings in an online catalog	71	73	72	74	81	85	83

Percent artifact holdings in an online catalog	65	80	74	78	88	*85*	95
Percent electronic holdings in an online catalog	98	95	96	96	87	*85*	93
NARA web sites scores as percent of benchmarked score for other Federal web sites (expired in 2012)	66	69	74	72	71	*N/A*	N/A

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 visits to our web sites—nearly 50 million visits in FY 2013. 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 83 percent of our traditional holdings, representing nearly 3.7 million cubic feet of archival records. To date, we have received more than 90 million digital objects from partners.

Isabel Van Dyke @IsabelVanDyke   18 Sep
@USNatArchives What document do you have that you can't believe is really there? Like, "Am I seriously holding this?" #AskACurator
Details

US National Archives ✔
@USNatArchives

.@isabelvandyke I had that moment with the Articles of Confederation, our first constitution. I held it briefly in the conservation lab!

↩ Reply   🗑 Delete   ★ Favorite   ••• More

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The National Archives joined hundreds of museums across the world on September 18 for #AskACurator on Twitter. Alice Kamps and Jen Johnson represented the curatorial staff in Washington, DC, and answered all kinds of questions from the oddest object they had ever found to their career paths.

New social media venues continue to serve as excellent tools for making the information we manage discoverable by the public in online places they frequent. These 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 2013, we welcomed back our Wikipedian-in-Residence in a new permanent position to help us make NARA information and records discoverable in Wikipedia, a place many people look for answers or to start research. Since the beginning of that collaboration in 2010, we have added nearly 130,000 digital copies of our holdings to Wikimedia Commons. Wikipedia pages that contain NARA images have been viewed more than 1.2 billion times in FY 2013 alone.

The Digital Public Library of America (DLPA) officially launched in April 2013. This collaboration with state and regional digital libraries and several large cultural institutions, including the National Archives, the Smithsonian, the New York Public Library, and Harvard University, provides online access to millions of digital images. To date, we have contributed more than 1.9 million digital objects to the DPLA platform.

We continued to provide outstanding customer service exceeding our FY 2013 targets in each area. To date, we met or 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 (93 percent). We fell short of meeting our target of Freedom of Information Act (FOIA) requests for Federal records completed within 20 working days (83 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.

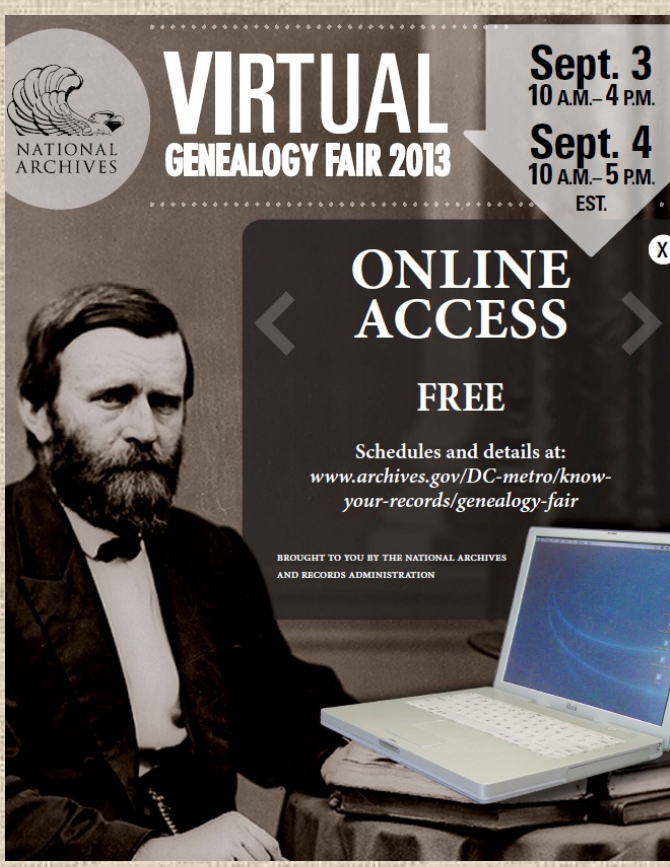| *Goal 5. We will increase access to our records in ways that further civic literacy in America through our museum, public outreach, education programs, and grant programs.*							
5.1: By 2016, 90 percent of NARA's visitors are satisfied with their visit experience. 5.2: By 2016, a minimum of 85 percent of all NHPRC-assisted projects produce the results required, employing rigorous standards and milestones approved by the Commission.							
Performance Indicator	**2008 Actual**	**2009 Actual**	**2010 Actual**	**2011 Actual**	**2012 Actual**	*2013 Target*	**2013 Actual**
Percent of NARA public program visitors satisfied with their visit experience	100	99	99	99	100	*88*	98
Percent of NARA education program visitors satisfied with their visit experience	–	–	–	–	–	*88*	100
Percent of NHPRC-assisted grants produce the results required	81	82	92	84	89	*85*	91

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, 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. 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 through our 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.

DocsTeach, one of our highly successful open government initiatives, is an award-winning 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 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 2013, we exceeded our target with 91 percent of all grants successfully producing the results required.

Founders Online, a multi-year undertaking to place online more than 170,000 historical documents from the nation's Founding Era, successfully launched in FY 2013. When completed in FY 2015, the

In September, NARA held its ninth annual genealogy fair, but with a new twist. Due to severe budget cutbacks, NARA was challenged with figuring out how to host a popular event for the genealogy community despite limited resources. As a result, this year's fair was hosted online instead of onsite. During the 2013 fair, attendees were able to remotely interact with live presenters using the website UStream, submit questions through a chat function, contact Archives staffers by phone, and communicate using Twitter. Also, recorded sessions are available online for repeat viewing (http://www.archives.gov/dc-metro/know-your-records/genealogy-fair/).

The 2013 online fair, held for two days, drew virtual attendants of approximately 5,500 total daily views and more than 3,000 unique viewers. The 2012 onsite fair drew approximately 850 in-person one-day attendants to tents outside the National Archives building in Washington. The decision to host a virtual fair confirmed that austerity can sometimes breed innovation. It also saved the agency and the National Archives' Foundation a significant amount of money. The cost to host the online conference was about $3,000, compared to $60,000 to host the fair onsite. NARA is considering expanding this online fair into a larger genealogy training program.

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, launched a public website at www.founders.archives.gov to make available the first of those papers.

Strategic Goal 6: Developing our Infrastructure
Results: We met 4 out of 5 performance measures

Goal 6. *We will equip NARA to meet the changing needs of our customers.*							
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.							

Performance Indicator	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	*2013 Target*	2013 Actual
Percent of NARA positions with competency models	–	–	–	–	42	*85*	87
Number of underrepresented groups matching targets for respective availability levels in the CLF (out of 8)	3	3	3	4	3	*8*	3
Percent of NARA's positions filled within 80 days	–	–	12	10	27	*40*	40
Percent of NARA's eligible staff participating in the telework program	–	–	16	23	32	*30*	32
Percent of public applications availability	99.5	99.5	99.7	99.5	99.1	*98.88*	99.8

FY 2013 proved to be a challenging year for our staff, as it was in most agencies, as we reprioritized activities and spending to meet reduced resource targets. Staff continued to transform the agency, using the set of six transformation goals as guideposts. Minor adjustments were made to the complete restructuring of the organization, which took place in FY 2011. Most notably, we stood up an Office of Innovation, to lead NARA's efforts to create innovative ways to serve its customers and to increase access to and delivery of records through all forms of media. 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.

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
Strategic Goal 1: Our Nation's Record Keeper								
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.	✓							
Strategic Goal 2: Preserve & Process								
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-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.	✓	✓						
Strategic Goal 3: Electronic Records Challenges								
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 at the planned level of service.	✓	✓	✓					
3.3: By 2016, the per-megabyte cost of managing electronic records decreases each year.	✓	✓	✓					
Strategic Goal 4: Access								
4.1. By 2016, NARA customer service standards for researchers are met or exceeded.	✓	✓	✓					
4.2. By 2016, 1 percent of archival holdings are available online.	✓	✓	✓					
4.3. By 2016, 95 percent of archival holdings are described in an online catalog.	✓	✓	✓					
Strategic Goal 5: Civic Literacy								
5.1. By 2016, 90 percent of NARA's visitors are satisfied with their visit experience.	✓	✓						✓

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
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.					✔			
Strategic Goal 6: Infrastructure								
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 with the Office of Management and Budget (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 received $695 million in budgetary resources in FY 2013, of which 57 percent were appropriations for Archives and Records Management Activities and 32 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 2013 Total Budgetary Resources by Program

(in millions)
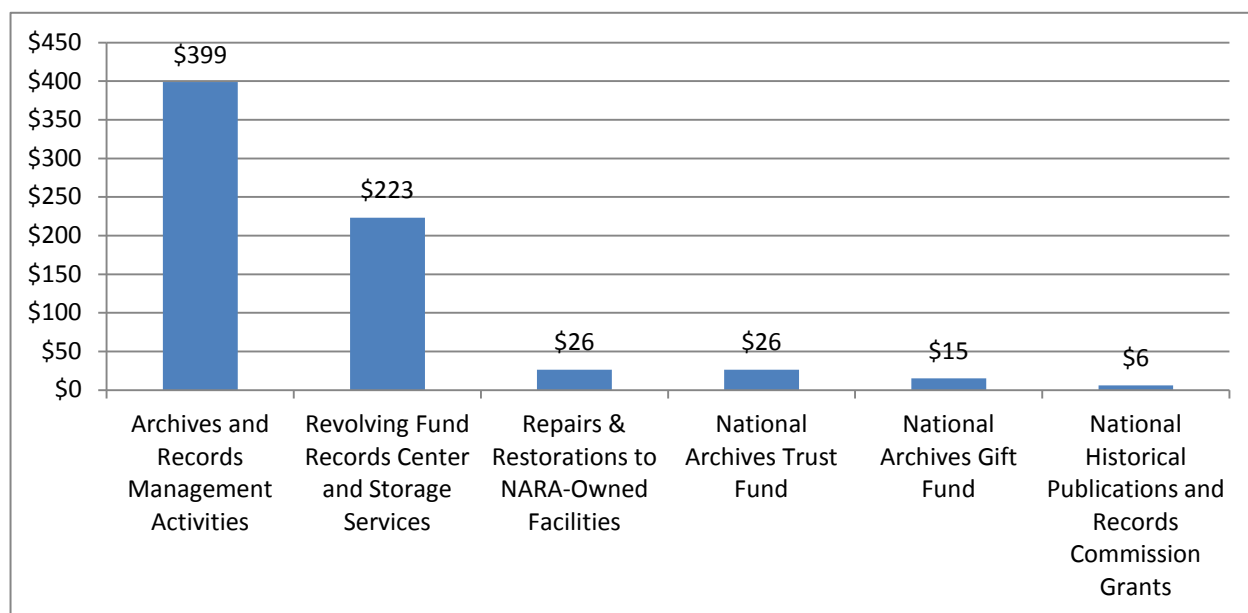
Figure 3. Total Budgetary Resources, FY 2013

Archives and Records Management Activities, *NARA Operating Expenses appropriation,* provides for the costs of records services, the Electronic Records Archives (ERA) services and operations of the information system, 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.

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 2013, the Revolving Fund earned revenue of $178 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 $21 million in FY 2013.

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 2013, the Gift Fund received donations of $11 million, including an endowment of $10 million for the George W. Bush library.

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

Audit Results

NARA FY 2013 financial statements were audited by Cotton and Co. under contract to the NARA Office of the Inspector General. NARA received an unqualified audit opinion on its FY 2013 and FY 2012 financial statements with no material weaknesses noted.

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.

	FY 2013	FY 2012	Increase/ (Decrease)	% Change
Balance Sheet				
Fund Balance with Treasury and cash	$ 189	$ 218	$ (29)	-13%
General property, plant and equipment, net	305	378	(73)	-19%
Investments	58	46	12	26%
Accounts receivable, net	20	15	5	33%
Inventory and Other assets	2	2	0	0%
Total Assets	$ 574	$ 659	$ (85)	-13%
Debt held by the public	135	152	(17)	-11%
Accounts payable	34	47	(13)	-28%
Federal employees benefits	12	11	1	9%
Environmental and disposal costs	6	0	6	100%
Other	25	25	0	0%
Total Liabilities	$ 212	$ 235	$ (23)	-10%
Unexpended appropriations	126	158	(32)	-20%
Cumulative results of operations	236	266	(30)	-11%
Total Net Position	$ 362	$ 424	$ (62)	-15%
Total Liabilities and Net Position	$ 574	$ 659	$ (85)	-13%
Net Cost of Operations				
Archives and Records Management Activities	$ 414	$ 437	$ (23)	-5%
Trust and gift funds	(5)	(2)	(3)	-150%
National Historical Publications and Records Commission grants	8	10	(2)	-20%
Archives facilities and presidential libraries repairs and restoration	23	20	3	15%
Records center storage and services	11	13	(2)	-15%
Net Cost of Operations	$ 451	$ 478	$ (27)	-6%

Analysis of the Balance Sheet

ASSETS: NARA's assets were $574 million as of September 30, 2013.   The reduction of $85 million resulted from a decrease in general property, plant and equipment net balance due to a drop off in capital expenditures in FY 2013, coupled with a year's worth of accumulated depreciation. The decrease in the Fund balance with Treasury is due to reduced funding and sequestration in FY 2013.

The fund balance with Treasury and cash represents approximately 33 percent of total assets. Property, plant, and equipment constitute 53 percent of total assets, with the National Archives Facility at College Park representing the greater part of the balance.

LIABILITIES: NARA's liabilities as of September 30, 2013, amounted to $212 million. A decrease of $23 million is due to the $17 million annual principal payment on the Debt held by the public and a significantly reduced base of expenditures due to the sequestration.

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 Facility at College Park.

Of the total liabilities, the amount of $158 million, or 75 percent, is unfunded, i.e., budgetary resources are not yet available as of September 30, 2013. 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 $135 million for debt held by the public, $12 million for actuarial portion of Federal employee benefits, and $11 million for unfunded annual leave.

NET POSITION: The difference between total assets and total liabilities represents net position of $362 million as of September 30, 2013.

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 $62 million is due mainly to the reduced budget authority due to the sequestration in FY 2013.

Analysis of the Statement of Net Cost

The statement of net cost presents the net cost of operations for NARA's five major programs, totaling $451 million for the year ended September 30, 2013. The decrease of $27 million since prior year is due largely to the reduced spending levels resulting from the sequestration in FY 2013.

Analysis of the Statement of Budgetary Resources

The statement of budgetary resources presents the sources and the status of the budgetary resources at the end of the period, as well as demonstrates the relationship of obligations to outlays. For FY 2013, NARA had budgetary resources available of $695 million, with a decrease of 3 percent over $717 million in FY 2012 due to the sequestration.
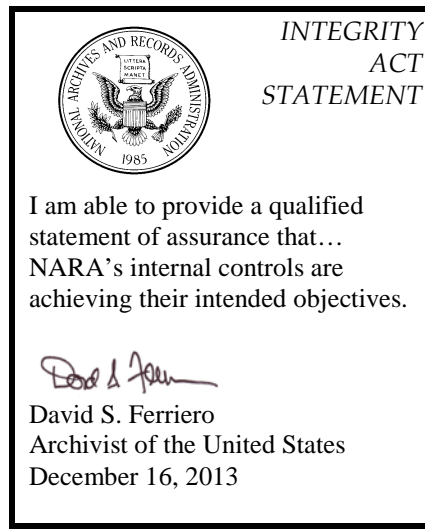
Systems, Controls, and Legal Compliance

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 2013 FMFIA Report*.)

> *INTEGRITY ACT STATEMENT*
>
> I am able to provide a qualified statement of assurance that… NARA's internal controls are achieving their intended objectives.
>
> David S. Ferriero
> Archivist of the United States
> December 16, 2013

Internal Controls Program

We have been working on developing and putting in place a more robust, comprehensive, and systematic internal control program for the agency. In FY 2013 we implemented this program for the majority of NARA offices and supplemented it with automation to support tracking and reporting on internal controls. The results are promising, and we expect the agency's internal control and risk management capabilities to mature as the program matures. The new approach to internal controls for FY 2013 has provided management with a greater level of assurance than we have had in the past.

NARA's evaluation of its internal controls for the year ended September 30, 2013, provides reasonable assurance that, except for three 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 2013. The three material weaknesses remaining at the end of FY 2013 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 implement holdings protection measures outside the Washington, DC area, as well as further testing and monitoring 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, almost all major actions identified by management have been completed. Remaining in FY 2014 is implementation of our new collections management database at all libraries, testing of the audit trail function within the database, and testing of our process for resolving inventory anomalies.

▪ *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. In FY 2013 we began a fundamental reassessment of this area, taking into consideration a recently issued OIG follow up audit of preservation. We anticipate developing a FMFIA action plan in FY 2014, overlapping the audit report action plan where feasible, developing a realistic definition of success in this area, and then monitoring progress against the action plan until the weakness has been sufficiently managed.

During FY 2013, NARA took corrective action and downgraded one material weakness related to risks posed by the need to improve controls over resolving, responding to, tracking, and closing recommendations in a systematic, consistent, and timely manner in the area of Information Systems and Technology Security:

▪ This area was reassessed in FY 2011 and declared a Material Weakness. Since that time, we have revamped the processes associated with addressing recommendations, including application of a risk ranking methodology, and instituted metrics and measures to monitor progress. These improvements have resulted in an approach that is systematic, consistent, and timely; we closed 29 percent of open recommendations during FY 2013.

▪ While no new actions are planned for FY 2014, Information Services will establish more aggressive targets for the metrics they have put in place   As a result of these accomplishments, NARA's Management Controls Oversight Council (MCOC) voted to downgrade Information Security and Technology from a material weakness to a reportable condition. We will continue oversight and tracking of this area at the appropriate management level within NARA in accordance with OMB A-123.

Details on the three 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.

Federal Financial Management Improvement Act

As an agency subject to the Accountability for Tax Dollars Act (ATDA), NARA is not subject to the requirements of FFMIA, per OMB bulletin #14-02, *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 administer a nationwide network of facilities, serving both the public and Federal agencies.
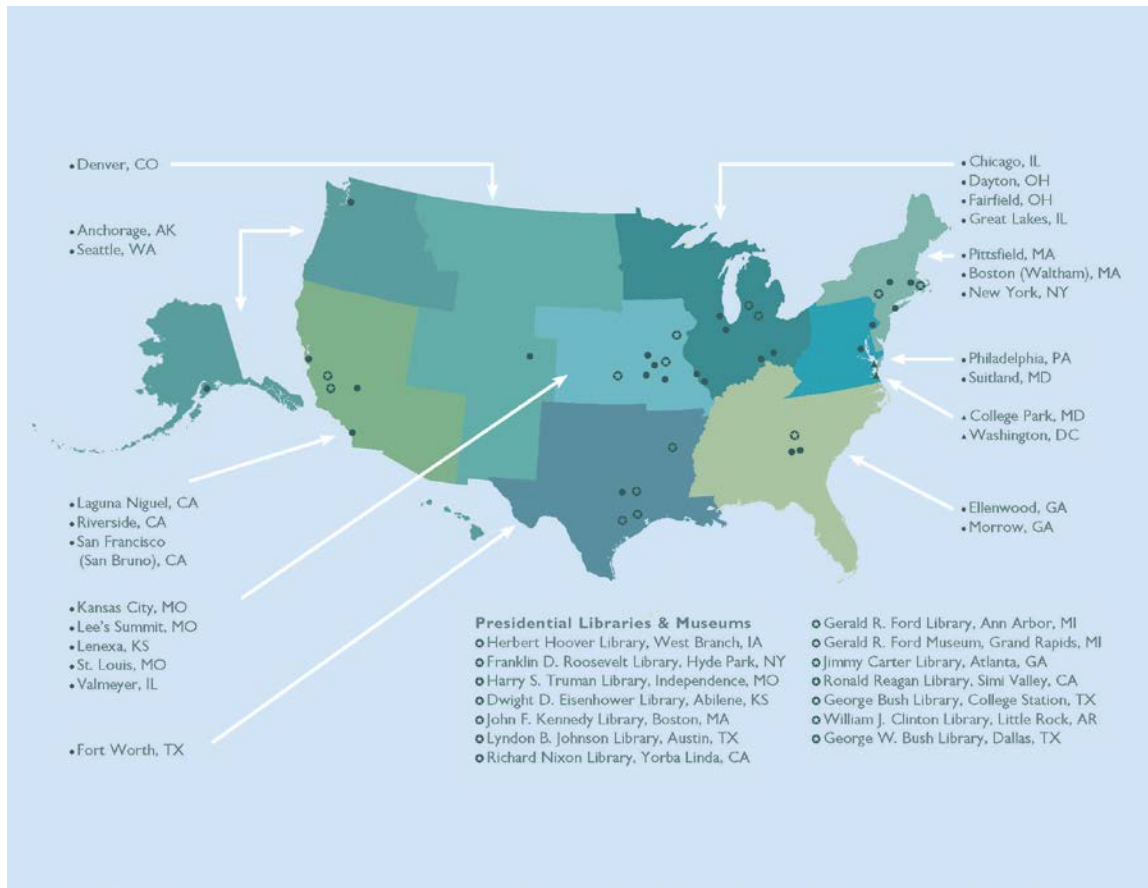
National Personnel Records Center
Scott Levins, *Director*

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 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
1 Bowling Green, 3rd 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

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

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

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

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

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

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

**Richard Nixon Presidential
Library and Museum**
Susan K. Donius, *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
David J. Stanhope, *Acting 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 L. 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*
2943 SMU Boulevard
Dallas, TX 75205
214-346-1650

Copies of This Report

Our report is available on our web site at *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 2014. Please e-mail any comments to p*erformance@nara.gov*.

Other Web Pages of Interest

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

www.archives.gov/about/

Web 2.0 and Social Media: Interact with NARA staff and visitors on Facebook, YouTube, Twitter, Flickr, NARA blogs, and more.

www.archives.gov/social-media/

Open Government and NARA: Learn how NARA is becoming more transparent, collaborative, and participative. Find high value datasets in XML for free download and become a Citizen Archivist.

www.archives.gov/open/
www.archives.gov/citizen-archivist

The National Archives Experience: Participate in an interactive, educational experience about the power of records in a democracy and visit our award-winning site for teachers

www.archives.gov/national-archives-experience/
www.docsteach.org

Archival Holdings: Find records of interest in Washington, DC, the regional archives, and Presidential libraries, including the 1940 Census.

www.archives.gov/research/search/
www.1940census.archives.gov/

Presidential Libraries: Explore the history of our nation through the leaders who helped shape the world, including the new George W. Bush site.

www.archives.gov/presidential-libraries/
www.georgewbushlibrary.smu.edu/

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

www.federalregister.gov
www.ofr.gov
www.fdsys.gov
www.archives.gov/federal-register/
www.ecfr.gpoaccess.gov

Founders Online: Examine the personal documents of the nation's founders.

http://founders.archives.gov

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

www.archives.gov/research/

Shop NARA: Shop online for books and gifts at our e-store.

www.archives.gov/shop/

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

www.archives.gov/publications/prologue/

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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 2013 Performance Budget. The following pages detail our performance on our FY 2013 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.

NARA's organizational transformation, launched in 2010, realigned the organization to establish 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 2013 PAR reflect the updated 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 nearly 15 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 demonstrate 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 NARA's 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 2013 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 2013 Objectives   ☑   Conduct two records management inspections.

Results   ✓   Records management inspections were conducted at the Department of Energy's National Nuclear Security Administration (NNSA) and the Department of Homeland Security (DHS).

Discussion   The *Managing Government Records Directive*, issued by the Director of OMB and the Archivist of the United States in FY 2012, identified ways to modernize the management of Government records and reform records management policies and practices in the Federal Government with emphasis on managing electronic records.   The Directive creates a robust records management framework that complies with statutes and regulations to achieve the benefits outlined in the Presidential Memorandum.

For several years, NARA has used our Records Management Self Assessment (RMSA) survey tool for agencies to conduct annual self-assessments of their records management programs. We use this data to monitor and assess the level of risks to agencies' records management programs, to make recommendations for areas of improvement, and as criteria for deciding which agency or records management program to inspect.

We found that annual self-assessments did not provide agencies' sufficient time to implement recommendations and evaluate their effectiveness. For these reasons, we extended the assessments to every other year.

Exercising NARA's oversight responsibilities and using data from the FY 2012 RMSA, we conducted two inspections in FY 2013. We examined elements of the records management program at three of the National Nuclear Security Administration's (NNSA) National Laboratories where we focused on access to historical records, issues with records retention scheduling, and records storage. The second inspection at the Department of Homeland Security (DHS) focused on the sharing of Alien Registration files between Citizenship and Immigration Services (CIS) and Immigration Customs Enforcement (ICE). We examined how well the two bureaus work together to ensure the safety of these records and how they share the same record series in a way that ensures their continued preservation until they are eligible for transfer to NARA. We also developed standard operating procedures (SOP) to streamline our inspection processes and created compliance documents to assist in the process of writing inspection plans and agency questionnaires to help focus the inspections and site visits.

The RMSA, inspections, and the implementation of the Managing Government Records Directive are the avenues NARA uses to oversee and measure the effectiveness of Federal records management programs. We inspect a limited number of agencies annually, targeting significant aspects of an agency's records management program. The inspections give us the opportunity to work directly with the staff at agencies and examine their policies, processes, and procedures. Our goal is to ensure the security and preservation of their permanent records and provide insight into how to tackle specific issues and concerns with recommendations to improve agencies' records management programs.

NARA developed a new records management approach known as *Capstone* to provide agencies with a practical solution to electronically manage their Federal record emails. The *Capstone* approach facilitates agencies' compliance with the requirement in the *Managing Government Records Directive* to "manage both permanent *and* temporary email records in an accessible electronic format" by December 31, 2016. *Capstone* provides agencies with the option to schedule email based on the work or position of an email account holder in a likely position to create or receive permanent email records (e.g., an authority or official at a high level in the organization). In this scenario, the *Capstone* records would be scheduled as permanent and all other email accounts would be temporary. Agencies must assess the benefits and risks when considering this approach for managing email records.

Performance Data	2009	2010	2011	2012	2013
Performance target for percent of agencies achieving a passing score for compliance with Federal records management policy.	–	*Establish baseline*	*15*	*10*	–
Percent of agencies that achieve passing scores for compliance with Federal records management policy.	22	6	10	20	–
Performance target for percent of agencies who submit records management self-assessments to NARA.	*50*	*50*	*93*	*89*	–
Percent of agencies records management self-assessments submitted to NARA.	91	93	89	88	–
Number of agencies polled in self-assessment.	242	271	277	272	–
Number of agencies responding to self–assessment survey.	220	251	247	240	–

FY 2014 Performance Plan Evaluation We will perform an RMSA survey and continue to work with the agencies to track their progress as they make improvements based on the findings and recommendations from the inspections.

1.2 NARA RECORDS MANAGEMENT SERVICES

FY 2013 Objectives	☑ Increase by 10 percent the number of distance learning course offerings over last year.
	☑ Achieve closure of 40 percent of open records schedules registered in FY 2010 or earlier.
Results	✓ We increased the number of online course offerings by more than 41 percent.
	✓ We reduced our backlog of schedules open prior to FY 2011 by 70 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 continues to look at ways to enhance our distance learning program. With agencies limiting staff travel, online training is an economical way to reach Federal agency audiences with varying degrees of records management responsibilities. We provide a framework of distance learning options that reduces the number of resources needed to provide records management training, while preserving flexibility in delivery options. Our staff developed standard operating procedures (SOP) that deliver new content in new and creative ways. Through virtual training, we are able to reach more agency staff with current and relevant content delivered both in real-time and on a self-paced basis.

NARA's records management online content development team offered 21 topical briefings in 33 live online sessions. All briefings are posted with closed caption and are available on NARA's *YouTube* channel. We have also worked with our social media team to make these presentations accessible to the sight-impaired. Since posting began in February, we have had more than 9,900 views of 19 videos. Developing an online pilot of *Knowledge Area 6, Records Management Program Development* was a key project in FY 2013, as well as work performed to develop an E-Records Formats 101 course. Both courses will offer Federal agencies self-paced training online that allows for flexibility in meeting the records management training needs of their staff.

We continue to tackle the backlog of schedules two years old and older. To improve performance we established practices to shift schedules and balance the backlog workload among archival teams. Implementing valuable lessons learned from our backlog project last year, we enforced our policies, and returned schedules to agencies that could not provide needed information or could not accommodate appraisal visits within 40 days. By adopting these practices, we were able to exceed our target by the third quarter—ending the fiscal year with nearly 70 percent of records schedules in our backlog closed.

Performance Data	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Performance target for number of records schedules submitted using ERA.	—	—	—	*Establish baseline*	—	—
Number of records schedules submitted using ERA.	—	—	—	65	179	377
Performance target for percent of Federal agency customers highly satisfied with NARA records	—	*10*	—	—	*90*	—

Performance Data	2008	2009	2010	2011	2012	2013
Performance target for number of records schedules submitted using ERA.	—	—	—	*Establish baseline*	—	—
management services.						
Percent of Federal agency customers that are satisfied with NARA records management services.	—	81	—	—	**See footnote*	—
Percent of records management training participants taking a NARA records management course for the first time.	39	63	36	32	26	27
Number of records management training participants who are taking a NARA records management course for the first time.	2,524	7,625	2,619	1,913	990	638
Number of Federal agency staff receiving NARA training in records management and electronic records management.	6,422	12,114	7,233	5,971	3,772	2,366
Number of records management training participants that NARA certified this year.	310	242	282	338	347	258
Performance target for the percent increase in the number of distance learning course offerings.	—	—	*5*	*5*	*25*	*10*
Percent increase in the number of distance learning course offerings.	—	—	133	-43	156	41
Performance target for the percent decrease in the backlog of open schedules registered 3 fiscal years ago or earlier.	—	—	—	—	*5*	*40*
Decrease in the backlog of open schedules registered 3 fiscal years ago.	—	—	—	—	82	70
Median time for records schedule items completed (in calendar days).	291	302	287	767	673	595
Average age of schedule items completed (in calendar days).	443	415	443	927	869	672
Number of schedule items completed.	3,148	3,272	3,762	5,407	3,582	2,560
Number of open schedules in the backlog.	506	958	867	681	466	485

*We conducted two types of surveys and the results were not combined. Results indicated 60 percent of customers were satisfied with NARA appraisal and scheduling services and 56 percent of users expressed overall satisfaction with ERA services.

FY 2014 Performance Plan Evaluation We will continue to process requests for disposition authorities with a focus on schedules that have been open for two or more fiscal years. As part of our ongoing work with the *Managing Government Records Directive,* we will examine ways to streamline the appraisal process and we will continue to review the General Records Schedules (GRS) to provide more coverage of agency records.

1.3 FEDERAL RECORDS CENTERS PROGRAM

FY 2013 Objectives

☑ Make ready 95 percent of Federal agency reference requests within the promised time.

☐ Answer 80 percent of written requests to the National Personnel Records Center (excludes archival unit and burn records) within 10 working days.

☐ Achieve 90 percent customer satisfaction in servicing veterans' records at NPRC.

☐   Acquire Customer Relationship Management Software for FRCP.

☑   Records management transactions in the Federal Records Centers Program (FRCP) grow by 1 percentage point.

☑   Answer 95 percent of requests for separation documents from the military personnel records facility in 10 working days or less.

Results

"You always give us such wonderful service, week after week, and we appreciate that!"

✔   NARA's Federal Records Centers fulfilled 95 percent of agency reference requests on time.

✔   We answered 69 percent of written requests to the National Personnel Records Center within 10 working days.

✔   Eighty-six percent of our customers are satisfied with NPRC services.

✔   We have developed a requirements document for Customer Relationship Management software.

✔   Customers' use of our Federal Records Centers services grew by 1.9 percent.

✔   We answered 95 percent of requests for separation documents from the military personnel records facility in 10 working days or less.

Discussion NARA's 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 numerous records management services to assist Federal agency customers with paper and electronic records they no longer need for current business. Customers' records management needs shifted as a result of the rise in electronic records from a traditionally paper records environment. As we re-examine and identify new services to meet the changing needs of customers, we also monitor performance with our current services.   Our services include reference requests, shipping, and handling of records, records storage, photocopying, digital imaging, and records disposal.

Excellent customer service is crucial to customer retention and business growth in our Federal Records Centers. We routinely monitor timeliness in servicing customers' requests and satisfaction with our services. Weather emergencies—such as outages caused by Superstorm Sandy, moves to newer facilities, and equipment failures—often create challenges to our operations. We tackle these problems by assessing workflow, implementing corrective actions, and maintaining customer communications to frame customer expectations. Despite these obstacles that hindered our performance, we met our published customer service standard to respond to agency reference requests within the promised time.

We did not meet our target for answering written requests to the National Personnel Records Center within 10 working days. Our performance is lower than expected because we began the fiscal year with a backlog more than twice as high as normal. This backlog of 75,000 requests resulted from the unavailability of our Case Management and Reporting System (CMRS) for two weeks during a system upgrade in FY 2012. Although we worked diligently to address the backlog, an increase in demand and system downtime led to the growth in backlog. At the NPRC, military-related reference requests account for more than 95 percent of our work. Civilian- related requests account for the remainder. We actively monitor timeliness to detect problems early.

Customer satisfaction is closely linked to the timeliness of correspondence replies. With our rate of response to written requests within 10 working days at 67 percent, we fell four percentage points below our customer satisfaction target. To improve our performance, we established daily goals and response parameters such as ensuring that new requests are entered in the system within two working days and requests for separation records are completed within three working days. However, factors such as IT instability, funding limitations, time required to hire and train technicians, and fluctuations in demand challenged our ability to keep our backlog low.

NARA's Customer Relationship Management (CRM) team is responsible for marketing, sales, and customer support activities that cultivate new customer leads, strengthen individual relationships with customers, and markets FRCP services to customers. The CRM monitors industry trends to guide development of new services. Growth in customer transactions in our Federal Records Center Program services reached 1.9 percent in FY 2013. We reviewed and analyzed information on numerous CRM software products that would allow us to share and track various customer, project, and billing information throughout the Federal Records Center Program around the country. We prepared a requirements document, but the long-term costs of acquisition outweigh the benefits at this time, so we are considering existing NARA tools (e.g., Google Apps) to address our CRM needs.

The National Personnel Records Center receives more than one million written requests each year. Nearly 40 percent of these requests are for military separation documents needed by veterans to secure benefits. We exceeded our target of answering 95 percent of requests for separation documents from the military personnel records facility in 10 working days or less. This is an improvement from FY 2012 and puts us more in line with performance in FY 2011 and earlier. To improve our performance this year, we implemented four specific time-related activities in the response process. For example, we ensured that new requests go into production within two working days. We also ensured that non-fire-related requests are assigned within one working day of initial data entry. Focusing on these interim steps before actually responding to the requests is helping us improve performance.

Performance Data	2008	2009	2010	2011	2012	2013
Performance target for percentage point growth in records management transactions in the Federal Records Centers Program.	—	—	*1*	*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	1.9
Performance target for percent of customers satisfied with NPRC services.	—	*Establish baseline*	*88*	*88*	*88*	*90*
Percent of customers satisfied with NPRC services.	—	85	86	92	90	86
Performance target for percent of Federal agency reference requests ready within the promised time.	*96*	*97*	*97*	*98*	*98*	*95*

Performance Data	2008	2009	2010	2011	2012	2013
Percent of Federal agency reference requests ready within the promised time.	93	94	97	95	95	95
Performance target for percent of written requests to the National Personnel Records Center answered within 10 working days.	*75*	*80*	*80*	*80*	*85*	*80*
Percent of written requests to the NPRC answered within 10 working days.	74	69	69	75	74	67
Number of written requests to the NPRC answered (in thousands).	1,150	1,221	1,320	1,094	974	1,010
Number of written requests to the NPRC answered within 10 working days (in thousands).	854	845	908	846	717	679
Number of written requests for civilian records to the NPRC answered within 10 working days (in thousands).	167	94	76	25	29	15
Number of written requests for military records to the NPRC answered within 10 working days (in thousands).	687	751	833	821	688	664
High Priority Measure: Performance target for percent of requests for military personnel records answered in 10 working days or less (target 85% by 2012).	–	–	*85*	*85*	*85*	–
Percent of requests for military personnel records answered in 10 working days or less.	72	70	70	77	73	68
Percent of requests for military service separation records at the NPRC answered within 10 working days.	95	95	94	93	92	95
Number of military service separation records (DD-214) requests answered (in thousands).	506	574	556	478	468	472
Average price per request for military service separation records.	$30.10	$31.70	$31.70	$33.00	$33.00	$35.00

* In FY 2008 and beyond, customer count includes customers with annual billings in excess of $5K.

FY 2014 Performance Plan Evaluation We will begin the implementation of Google Apps as a tool to use for our CRM functions.

1.4 PRESIDENTIAL TRANSITIONS
FY 2013 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 focus of this objective is on 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 2016, 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 2013 Objectives	☐ 35 percent of annually targeted traditional archival records transfers arrive at NARA each fiscal year on time.
	☐ 35 percent of annually targeted electronic archival records transfers arrive at NARA each fiscal year on time.
Results	✓ Twenty-five percent of targeted traditional archival records transfers arrived at NARA this year.
	✓ Twenty-six percent of targeted electronic archival records arrived at NARA this year.

Discussion   Scheduling Federal agency electronic records ensures permanent electronic records that protect citizens' rights, demonstrate Federal Government accountability, or document the history of our nation will transfer to NARA regularly 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.

In FY 2013, we made fully integrating ERA into our business process for transferring records to NARA a priority. This promotes a more controlled environment for transfer requests and makes it possible for agencies and NARA to follow each step of the accessioning process in ERA. To accommodate this business process change, NARA staff assisted agencies in preparing transfer documentation for direct offers of permanent electronic records.

Integrating ERA into our business process allows us to transition from a paper SF-258 based accession process to an electronic transfer process. Moving these processes to a digital environment allows us to capture new information about potential accessions early in the process and have them available for future use. Other improvements included a new process to barcode or label all incoming accessions. This process increases our physical control of the records once they enter NARA's custody.

Performance Data	2008	2009	2010	2011	2012	2013
Performance target for percent of high archival records transferred to NARA on time.	–	*20*	*30*	*40*	*30*	*35*
Percent of targeted traditional archival records transferred to NARA on time.	–	6	24	19	*Not available*	25
Percent of targeted electronic archival records transfers arriving at NARA on time.	40	44	35	26	37	26

FY 2014 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 2013 Objectives   ☑   Process 65 percent of archival holdings to the point where researchers can have efficient access to them.

Results   ✔   We met our target to process 65 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 include establishing basic intellectual control, flagging records that have privacy or national security classifications, providing descriptions of the records content as well as context, and performing initial preservation actions so that we can serve the records to the public. We take these steps to help make records easier to search and use effectively.   Although staffing constraints and substantial transfer of archival records prevent us from processing the holdings at the pace we would like to achieve, we were able to meet our target. With more than 30 percent of our holdings unprocessed, we continue to implement minimal processing activities so that records are processed quickly while ensuring that we take appropriate steps to establish physical and intellectual control over our holdings.

We established schedules with set milestones to complete each processing project. Following this project management process ensures that all projects remained on track for completion by the end of the fiscal year. Each quarter, supervisors conduct audits of five percent of the entries

processed to ensure that work is accurate and follows established standard operating procedures (SOP). For some projects that include temporary records for disposal, project leads will perform 100 percent audits. Although the volume of records is vast, we continue to make significant progress in reducing the backlog of unprocessed records.

In our Presidential Libraries, while we continue to face a substantial backlog of unprocessed records, we continue to seek more efficient ways to process Presidential materials for public access. Through close collaboration among our processing units and work with external stakeholders, we look to build on the increased rate of processing from the past two years to increase our productivity rates and minimize the backlog of FOIA requests.

Performance Data	2008	2009	2010	2011	2012	2013
*Performance target for percent of archival holdings processed to the point where researchers can have efficient access to them.**	*Establish baseline*	*40*	*51*	*55*	*60*	*65*
Percent of archival holdings processed to the point where researchers can have efficient access to them.	30	41	47	53	60	65
Number of records processed in Presidential Libraries (in cubic feet).	108,224	121,259	124,981	126,550	134,050	134,124
Number of series processed in our regional archives.	9,445	23,182	29,488	40,437	44,804	45,787
Number of processed Holdings Management System entries.	62,637	71,718	90,603	100,807	121,172	126,788

FY 2014 Performance Plan Evaluation   We will continue to implement minimal processing activities to increase the number of records processed.

2.3 GOVERNMENT-WIDE DECLASSIFICATION

FY 2013 Objectives   ☑ Ninety percent of agency declassification programs assessed by ISOO receive high scores.

Results   ✓ Each of the five agencies assessed by ISOO received high scores for their agency declassification program.

Discussion NARA administers the Information Security Oversight Office (ISOO) that 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.

ISOO follows a regimented program to improve oversight of Executive branch agencies' declassification review programs. The program is designed to evaluate agency decisions, identify best practices, and provide agencies with constructive recommendations to improve their programs. ISOO uses a scoring methodology and scoring tool to objectively evaluate agency declassification programs. Agencies receiving high scores have increased from 36 percent in FY 2008 to 100 percent in FY 2013. ISOO assessments of declassification programs and agency implementation of recommendations has resulted in overall improvement of declassification programs.

ISOO takes advantage of opportunities to share knowledge and pursue ways to advance the declassification review process. As agencies work to improve the effectiveness and efficiency of

their declassification programs, ISOO provides briefings on the declassification assessment program and offers to aid agencies as they establish their own internal quality control programs.

In FY 2013, based on feedback from agency stakeholders, ISOO revised the scoring process to reflect a risk management approach for declassification reviews. ISOO maintained its goal to sustain 90 percent of agencies with high scores. Budget constraints restricting travel limited the number of on-site assessment reviews to only five agencies—down from prior years where 10 to 20 or more reviews were performed. We adjusted to the travel constraint by limiting reviews to agencies that fell below the "high score" threshold or to those that previously scored high, but were at risk of sliding back into substandard practices. With all five agencies receiving high scores, the results indicate that agencies continue to benefit from ISOO's automatic declassification assessment program.

Performance Data	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Performance target for percent of agency declassification reviews that receive high scores as assessed by ISOO.	*Establish baseline*	*51*	*69*	*80*	*90*	*90*
Percent of agency declassification reviews that receive high scores as assessed by ISOO.	36	53	67	81	94	100
Number of agency declassification reviews that receive high scores as assessed by ISOO.	8	10	10	13	15	5
Number of agency declassification reviews assessed by ISOO.	22	19	15	16	16	5
Number of pages declassified government-wide (in millions of pages).	31.4	28.8	29.1	26.7	19.9	TBD

FY 2014 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 2013 Objectives	☑	Complete quality assurance in the National Declassification Center (NDC) on 300 million pages of classified documents 25 years old and older and accessioned into NARA.
	☐	Prepare for scanning 750,000 pages of Presidential records eligible for declassification review as part of the Remote Archives Capture Project.
Results	✓	We completed quality assurance (QA) on more than 120 million records in FY 2013, surpassing our overall target to complete QA on 300 million pages in our declassification backlog.
	✓	We prepared nearly 418,000 pages for scanning and we scanned more than 468,000 pages of Presidential records.

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. The backlog number has been progressively updated as we improved our database analysis and metrics capability. We now believe that the backlog was more than 350 million pages on January 1, 2010.

NARA's National Declassification Center (NDC), mandated by the President through Executive Order 13526, began operations in January 2010. The NDC encourages collaboration among agencies, standardizes data, and brings together disparate declassification processes and systems within the declassification community to expedite the review and declassification of classified records, 25-years old and older. Since the issuance of Executive Order 13526, we have worked vigilantly to meet the December 31, 2013, deadline to declassify records as quickly as possible while maintaining national security.   Agencies have also focused their efforts on the 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.

The NDC's declassification review and release process has stabilized, and we are able to measure processes at each stage. Using these measurements the NDC examines the quality of equity identification and review, the quality of data entry, and how quickly we are moving toward our goals. The data helps us reallocate resources to critical points in the process and has been instrumental in helping to achieve the progress made by the NDC and our government agency partners. We have been able to successfully validate the effectiveness and efficiency of the NDC backlog process through an internal quality control audit team that samples the declassified product results.

Our greatest challenge continues to be working with agency partners to address page-level review required for all documents lacking Kyl-Lott certification for the identification of Restricted Data/Formerly Restricted Data (RD/FRD). At the end of FY 2013, we have fewer than 40 million backlog records that still require some type of page-level review, a "highly unlikely" certification, or additional documentation as to their Kyl-Lott review status. This is down from nearly 100 million backlog records requiring this type of review at the beginning of the calendar year.

Since standing up of the NDC, we successfully completed quality assurance on more than 300 million pages of classified information, completed processing on 127 million pages, and released 76 million pages to the public. We surpassed our goal to complete quality assurance on 300 million pages by the end of FY 2013, yet much of the focus in the NDC continues to be on addressing the backlog of classified documents 25 years old and older and accessioned into NARA. The government closure directly affects our ability to meet the December 31, 2013, presidentially mandated deadline and we anticipate accomplishing the goal in the second quarter of FY 2014.

NARA, in partnership with the Central Intelligence Agency (CIA) and all other classifying agencies in the Federal Government, continues to use the Remote Archives Capture (RAC) project to capture the classified materials held by the Presidential Libraries in digital format. The project involves digitizing materials that are then 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-years-old and older 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.

In FY 2013, we prepared nearly 418,000 pages for scanning and we scanned more than 468,000 pages of Presidential records eligible for declassification. As part of the sequestration, substantial funding was cut from the RAC budget, requiring the elimination of several contractors instrumental in preparing material for scanning at the Reagan Library. These constraints required us to scale back our scanning efforts at the Reagan Library and concentrate resources on the review and identification of RAC referral equities. We continue to work with agency partners to prioritize the scanning of select records of high public interest.

Performance Data	2008	2009	2010	2011	2012	2013
(Cumulative) Performance target for number of pages completed quality assurance in the NDC for declassification processing effort since January 1, 2010.	–	–	–	*100*	*251*	*300*
(Cumulative) Number of pages completed quality assurance in the NDC for declassification processing effort (in millions) since January 1, 2010.	–	–	–	108*	202	302
Number of pages completed in the NDC declassification processing effort (in millions).	–	5.6	7.8*	20.2*	85.5*	TBD
Number of Federal pages declassified and made available to the public (in millions).	–	–	7.5*	18.3*	52.3*	TBD
Performance target for annual number of Presidential pages scanned (in millions).	*.5*	*.5*	*.5*	*.5*	*.5*	*–*
Annual number of Presidential pages scanned (in millions).	.519	.545	.531	.831	.079	.468
Performance target for annual number of Presidential pages prepared for scanning (in millions).	*–*	*–*	*–*	*–*	*–*	*.750*
Annual number of Presidential pages prepared for scanning (in millions).					.192	.418

* Data reported reflects activity beginning January 1, 2010 based on establishment of National Declassification Center (NDC). Adjustments to the total cumulative backlog number are explained in the Bi-Annual report of NDC Operations found at www.archives.gov.

FY 2014 Performance Plan Evaluation NARA's NDC plans to implement the 50 and 75-year automatic declassification guidelines on records previously reviewed and referred at NARA during the 1970s. The NDC will complete the review and declassification of classified records 25-years-old records and older. We expect to meet the EO 13526 deadline during the second quarter FY 2014.

2.5 ARCHIVAL HOLDINGS IN APPROPRIATE SPACE

FY 2013 Objectives   ☑   Complete the collections storage and exhibit space renovations portion of the second phase of the Roosevelt Library renovations.

☑   Open George W. Bush Library to the public.

☑   Complete National Archives Experience Phase II infrastructure renovations to Freedom Hall (David M. Rubenstein Gallery).

☑   Eighty-three percent of archival holdings are in NARA 1571 compliant space.

Results   ✓   We completed significant renovations to the Roosevelt Library making the space compliant

with standards for archival holdings.

✓ We opened the newly constructed George W.
Bush Library and Museum to the public on May
1, 2013.

✓ We reconfigured space for the new David M.
Rubenstein Gallery and completed infrastructure
renovations to the Visitor Orientation Plaza to
support installation of exhibits.

✓ Slightly more than 95 percent of our archival
holdings are in NARA 1571 compliant space.

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. We strive to ensure that
our facilities maintain appropriate storage conditions for the long term protection and
preservation of these historical records.

In FY 2012, we completed several renovations to the Franklin D. Roosevelt Library; the first
Presidential Library built in the United States. We made renovations to the exterior of the
building, the historic stacks, and the research rooms. This two phased construction continued in
FY 2013 with renovations to storage rooms for archival textual records and collections,
improvements to staff and public support areas, renovations of exhibit areas on the main and
lower floors, and modernization of office areas. Materials temporarily stored in the visitor center
and offsite were all returned to the Library. We were able to complete these renovations while
never closing to visitors or researchers. These renovations bring the Library's archives and
museum up to the archival standards for preservation. In addition, with funding provided by
our private, non-profit partner, the Roosevelt Institute, all new state-of-the-art permanent
museum exhibits opened to the public.

The George W. Bush Library and Museum proudly opened its doors to the public on May 1, 2013.
The Library is located in Dallas, Texas, on the campus of Southern Methodist University, and was
constructed with George W. Bush Presidential Foundation funds. The Library dedication
ceremony with former President Bush and the other living Chief Executives— Presidents Jimmy
Carter, George H.W. Bush, Bill Clinton, and Barack Obama—was held on April 25, 2013. With
the opening of this Library, we were able to move holdings consisting of Presidential records and
artifacts from a temporary facility located in Lewisville, Texas to their permanent home at the
Library. More than 29,000 cubic feet of Presidential traditional holdings and 42,500 artifacts were
transferred to the Library, increasing NARA's percent of archival holdings stored in appropriate
space to more than 95 percent.

The National Archives Experience Phase II will further improve visitor flow and access to the
exhibits and create space for a new exhibit gallery, *Freedom Hall* (David M. Rubenstein Gallery), at
the National Archives in Washington, DC. This gallery will create the opportunity for visitors to
connect our country's 18th century struggle for liberty with our world today. By improving the
existing space, we can enhance the experience of our visitors each year. This year we made

substantial progress toward the completion of the David M. Rubenstein Gallery and the Visitor Orientation Plaza infrastructure to support the installation of exhibits managed by the Foundation for the National Archives. We expect to open the gallery in early FY 2014.

Appropriate physical and environmental storage conditions are essential to ensure that archival records are preserved and 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 NARA's field sites. This year, we took two significant steps toward this goal. We moved archival records from the Varick Street and Market Street facilities into a new archival bay in our Philadelphia Customs House field facility. Moving from these two facilities and returning the space to GSA also resulted in a rent savings.

Performance Data	2008	2009	2010	2011	2012	2013
Percent of artifact holdings in appropriate space.	40	37	40	40	40	39
Number of artifact holdings (in thousands).	582	628	600	600	600	597
Percent of electronic holdings in appropriate space.	100	100	100	100	100	100
Number of electronic holdings in appropriate space (in terabytes).	–	–	110.0	156.1	515.2	521.4
High Priority Measure: Percent of archival holdings in NARA 1571 compliant space (target 85% by 2012).	–	–	–	–	*85*	*83*
Percent of archival holdings in NARA 1571 compliant space.	73	70	71	78	94	95
Number of archival traditional holdings (in thousands of cubic feet).	3,729	3,937	4,043	4,248	4,482	4,619
Cost of archival storage space per cubic feet of traditional holdings stored.	$5.85	$5.83	$6.16	$7.19	$6.64	$7.82

FY 2014 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.

2.6 NARA FEDERAL RECORDS CENTER HOLDINGS IN APPROPRIATE SPACE

FY 2013 Objectives   ☑   House 90 percent of NARA's non-archival holdings in appropriate space.

Results   ✓   We store nearly 97 percent of NARA's temporary holdings in appropriate space.

Discussion: In accordance with 36 CFR Part 1234, the Archivist is responsible for specifying the facility standards 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. The facilities within NARA's nationwide network of Federal Records Centers (FRC) are held to the same standards.

Last year, we 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. In FY 2013, we completed the documentation that chronicles multiple years' worth of facility improvements to the WNRC. With the final certification inspection completed, WNRC was officially certified as compliant in January 2013. Expansion storage bays added to the Lenexa and Lee's Summit facilities were inspected and certified in late FY 2013. The facilities received conditional certifications in August

because shelving repairs at both facilities are in progress and are estimated for completion in late FY 2014. Another improvement project to NARA's FRC facilities is a pipe protection and leak detection system for the San Bruno FRC. The system has already been designed; however, delays with building the system result from funding constraints.

Performance Data	2008	2009	2010	2011	2012	2013
High Priority Measure: Performance target for percent of NARA records center holdings stored in appropriate space (target 85% by 2012).	—	*100*	—	—	*85*	*90*
Percent of NARA records center holdings stored in appropriate space.	—	—	59	65	80	97
Volume of records center holdings (cubic feet in millions).	26.6	27.2	27.8	27.9	28.4	28.8
Storage price per cubic foot for records center holdings.	$2.40	$2.40	$2.52	$2.52	$2.64	$2.76

FY 2014 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 2013 Objectives

☑ Appropriately treat 65,000 cubic feet of NARA's archival holdings requiring preservation action.

☑ Conduct preservation reviews at six NARA locations.

☑ Deploy Holdings Management System (HMS) in National Personnel Records Center and the National Archives at Denver.

Results

✓ We treated and removed more than 73,000 cubic feet of NARA's archival holdings from the preservation backlog.

✓ We conducted 7 preservation reviews at NARA facilities to improve the preservation of original records.

✓ We successfully deployed the Holdings Management System (HMS) at the National Personnel Records Center and the National Archives at Denver.

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 non-textual 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, and 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 73,000 cubic feet of records from our preservation backlog. Although we were able to surpass our target this year, the increase in holdings continues to outpace the completion of preservation work. Balancing the competing demand of preserving a high number of cubic footage while substantially lowering our preservation backlog remains a significant challenge. We continue to focus on making our work flows more efficient, provide storage for electronic records, identify 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. This is the fourth year of the current cycle; this year we conducted site reviews at seven facilities. The preservation review site visits provide opportunities to develop effective working relationships and collaborative planning, and identify specific support requirements at each facility. Shortening the length of time between the onsite visit and issuance of the draft report was achieved this year. In addition, we updated preservation review site visit procedures at NARA field locations to include greater emphasis on discussions with GSA and landlords to improve building maintenance and HVAC management. These areas help to reduce risks to records, provide the required storage conditions, and achieve energy savings.

Preservation reviews at the Presidential Libraries continue to focus attention on the most pressing preservation needs at each Library and serve as an important planning tool. We are looking at ways to streamline support that will assist multiple Libraries.

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. In FY 2013, the system was implemented at the National Archives at Denver and at the National Personnel Records Center (NPRC).   HMS addresses long-standing issues and inefficiencies with storage and management of hardcopy archival holdings. This move centralizes information on our non-electronic holdings and allows staff to view information across all our regional and Washington area archives.

Performance Data	2008	2009	2010	2011	2012	2013
Performance target for percent of archival holdings that require preservation action.	≤65	≤65	≤65	≤65	≤65	≤65
Percent of archival holdings that require preservation action.	65	65	64	62	55	53
Holdings requiring preservation action (in thousands of cubic feet).	2,425	2,571	2,578	2,636	2,460	2,440
Archival holdings that received preservation treatment this year (thousands of cubic feet).	125	116	110	79	107	98
Cumulative volume of archival holdings in cold storage needing preservation (thousands of cubic feet).	91	93	94	97	98	107
Performance target for NARA's archival holdings treated and removed from preservation backlog this year (thousands of cubic feet).	–	–	*85*	*90*	*65*	*65*
NARA's archival holdings treated and removed from preservation backlog this year (thousands of	91	46	56	96	75	73

Performance Data	2008	2009	2010	2011	2012	2013
cubic feet).						

FY 2014 Performance Plan Evaluation   We will begin our next cycle of five year 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 2016, 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 2013 Objectives	☑	Sustain 88 percent of archival electronic holdings processed to the point where researchers can have efficient access to them.
	☑	Achieve 85 percent migration of unclassified legacy holdings to ERA.
Results	✓	We processed more than 88 percent of archival electronic holdings to the point where researchers can access them.
	✓	More than 90 percent of NARA's unclassified legacy holdings are in ERA.

Discussion   NARA's mission to provide public access to government records requires that we guarantee continued accessibility to the permanent electronic records of all three branches of our Government. Without this assurance, we risk 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.

The public uses a variety of tools to access electronic information and 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. Challenged this year with the loss of several key staff, we prioritized our efforts on specific processing initiatives (e.g., State Department Cables, FBI Field Office index cards, and pre-FY2009 accessions) to meet our target. We reached 88 percent for our permanent electronic holdings that are 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.

Efforts remain underway to prepare and transfer our legacy holdings for ingest into ERA. A systematic procedure is in place to ensure an accurate and secure migration. This year, we successfully reached the 92 percent mark in migrating our unclassified legacy holdings to ERA.

Performance Data	2008	2009	2010	2011	2012	2013
Performance target for percent of archival electronic accessions processed to the point where researchers can have efficient access to them.	*80*	*80*	*80*	*83*	*85*	*88*
Percent of archival electronic accessions processed.	86	88	88	83	87	89
Number of accessions received.	2,328	2,476	2,674	2,938	3,143	3,360
Number of accessions processed.	2,004	2,188	2,349	2,429	2,743	2,982
Unprocessed accessioning backlog (in accessions).	324	288	325	509	400	378
Performance target for per-megabyte cost of managing electronic records each year.	*<$0.37*	*<$0.39*	*<$0.36*	*<$0.1*	*<$0.12*	*–*
Per-megabyte cost of managing electronic records each year.	$0.39	$0.36	$0.15	$0.12	$0.03	$0.03
Median time (in calendar days) from the transfer of archival electronic records to NARA until they are available for access.	2,127*	1,842*	2,209*	274	414	403

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

FY 2014 Performance Plan Evaluation   We will complete the migration of unclassified legacy holdings to ERA Base.

3.2 PRESERVING ELECTRONIC RECORDS

FY 2013 Objectives   ☑   Establish a scalable methodology for evaluating preservation risk for archival electronic records based on technical white papers.

Results   ✓   Effort was completed at the end of FY 2012.

Discussion   In the long term, the ERA system will allow NARA to preserve and maintain electronic records using the analysis of information in our preservation and access plans. The ERA system enables 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.

FY 2014 Performance Plan Evaluation   We will assess the digital preservation needs of the archival electronic formats in NARA's custody.

3.3 COST OF ELECTRONIC RECORDS MANAGEMENT

FY 2013 Objectives	☑	Carry out corrective and adaptive maintenance tasks.
Results	✓	We reduced the footprint of our production systems through consolidation and movement to the cloud.

Discussion   As of October 1, 2012, Federal agencies were required to use ERA for scheduling records and transferring their permanent records to NARA. In FY 2012, the push to get agencies registered and trained to use ERA proved successful. With ERA in full operation, the emphasis for FY 2013 was operations and maintenance as well as corrective and adaptive work to ensure the system met the records management business needs of NARA and the Federal agencies.

NARA continued to improve operational performance with increased system uptime. We made great strides in upgrading ERA instances and reducing the footprint of our production systems through consolidation and movement to the cloud. We worked to stabilize the Base system but were challenged with stability issues with the application. We will continue to prioritize and address improvements needed to the system to improve the experience for our customers through NARA's IT governance process. Work continues on the Online Public Application (OPA) pilot application to make President George W. Bush email records available in January 2014.

Performance Data	2008	2009	2010	2011	2012	2013
Performance target for megabyte cost to manage archival electronic records.	–	*Establish baseline*	*<$0.36*	*<$0.15*	*<$0.12*	–
Per megabyte cost to manage archival electronic records.	$0.39	$0.36	$0.15	$0.12	$0.03	$0.03
*Number of terabytes of archival electronic records managed by NARA (includes pre-accessioned electronic records).	18.2	19.2	110.4	156.1	515.2	521.4

* Note on the unit of measure for electronic holdings. In FY2012, NARA switched from the gigabyte defined as $1,024^3$ bytes, a common practice in the computer industry, to gigabyte defined as $1,000^3$ 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 2014 Performance Plan Evaluation   We will focus on operational efficiency and will look at additional 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 2016, 1.4 percent of NARA's traditional 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 2013 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;

☐ 90 percent of Freedom of Information Act requests for Federal records are answered within 20 working days;

☑ 93 percent of online archival fixed-fee reproduction orders are completed in 20 working days or less.

☑ Identify ways to reduce OGIS's average case closure rate of 90 days.

Results

"I am proud that our country takes its history so seriously, and goes to extraordinary efforts to preserve its hard-earned lessons for future generations."

✔ We answered 97 percent of written requests with in 10 working days.

✔ We provided 98 percent of items requested in our research room within 1 hour of request or scheduled pull time.

"Your service sets a good example that might be followed elsewhere."

✔ We answered 83 percent of Freedom of Information Act requests for Federal records within 20 working days or less.

✔ We completed 93 percent of online archival fixed-fee reproduction orders in 20 working days or less.

✓   We identified ways to reduce OGIS's average case closure rate of 90 days.

Discussion   We successfully met or exceeded most of our customer service targets in FY 2013. In our research rooms, our customers received requested research materials within one hour 98 percent of the time. Assistance provided by part-time student employees continues to be a contributing factor to our success in this area. We responded to customers' written requests within 10 working days 97 percent of the time. Ninety-three percent of the time we responded to online archival reproduction orders within 20 working days and we answered 83 percent of FOIA requests for Federal records within 20 working days. We focus our customer service efforts on facilitating communication with researchers and when possible, provide estimated dates on when to expect a final response on a FOIA request. We have also established a triage process with incoming FOIAs. Prompt replies to inquiries from our customers are a valuable aspect of good service and our staff continually considers ways to meet customers' expectations.

The Office of Government Information Services (OGIS), established in September 2009, reviews FOIA policies and procedures of administrative agencies, 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 mediation services to resolve disputes between FOIA requesters and Federal agencies, which is an innovative approach to reduce litigation and improves the FOIA process for the public and the Government. Since opening in September 2009, OGIS closed 1,528 cases through the end of FY 2013. OGIS reduced the average time to close a case from 89.5 working days in FY 2012 to 82 working days in FY 2013. Additionally, the number of cases OGIS received in FY 2013 grew by 40 percent (i.e., from 361 to 508); however, OGIS also closed 40.7 percent more cases in FY 2013 than in FY 2012.

One way OGIS was able to reduce its case closure rate was by directly addressing an issue that affects the length of time a case is open. The Privacy Act of 1974 protects FOIA and Privacy Act request and appeal files, prohibiting agencies from sharing information contained in those files without prior written consent of the requestor or the existence of a routine-use procedure allowing such disclosure. Before OGIS facilitators can contact most departments or agencies to discuss a FOIA or Privacy Act request or appeal, the facilitator must first obtain a signed and dated consent from the requestor. This consent authorizes OGIS and any Federal department, agency, or component to share with one another information and records related to the request. This step increases the time to begin facilitating a resolution to a dispute. Since opening the OGIS office four years ago, OGIS has obtained the consent from more than 1,000 requesters. To date, nine departments and agencies have revised their Privacy Act system of records notices to include an OGIS routine-use procedure. OGIS has requested that Chief Privacy Officers for all agencies that do not have a routine-use in their Privacy Act System of Records Notices (SORN) amend their Privacy Act SORNs similarly to those revised by the nine departments and agencies. OGIS has shared model language for such a routine-use procedure. These changes would assist facilitators and reduce delays in beginning the information gathering process.

Performance Data	2008	2009	2010	2011	2012	2013
Performance target for written requests answered within 10 working days.	*91*	*92*	*93*	*94*	*94*	*94*
Percent of written requests answered within 10 working days.	94	95	93	95	97	97
Performance target for Freedom of Information Act requests for Federal records completed within 20 working days.	*86*	*87*	*87*	*88*	*89*	*90*

Performance Data	2008	2009	2010	2011	2012	2013
Percent of Freedom of Information Act requests for Federal records completed within 20 working days.	89	86	89	89	83	83
Number of FOIAs processed (Federal and Presidential).	13,485	17,512	15,771	17,182	13,745	13,246
Annual cost to process FOIAs (in millions).	$2.34	$2.76	$2.97	$3.16	$3.08	$3.23
Annual per FOIA cost.	$173	$157	$189	$184	$224	$244
Performance target for items requested in our research rooms furnished within 1 hour of request or scheduled pull time.	*90*	*93*	*94*	*94*	*95*	*95*
Percent of items requested in our research rooms furnished within 1 hour of request or scheduled pull time.	93	93	96	97	98	98
Number of researcher visits to our research rooms (in thousands).	140	129	137	129	123	114
Number of items furnished in our research rooms (in thousands).	577	553	564	578	549	533
Number of items furnished on time in our research rooms (in thousands).	538	515	539	560	536	522
Performance target for archival fixed-fee reproduction orders through SOFA are completed in 20 (35 pre-2007) working days or less.	*85*	*90*	*90*	*91*	*92*	*93*
Percent of archival fixed-fee reproduction orders through SOFA are completed in 20 working days or less.	68	90	96	96	95	93
Average per order cost to operate fixed-fee ordering.	$30.59	$38.06	$40.49	$39.59	$39.82	$45.62
Average order completion time (days).	22	18	13	13	7	10

FY 2014 Performance Plan Evaluation   We expect to meet or exceed our published standards for customer service.

4.2 ONLINE ACCESS TO ARCHIVAL HOLDINGS

FY 2013 Objectives   ☑   Make 1.2 percent of NARA's traditional archival holdings accessible online.

Results   ✔   We made 1.2 percent of NARA's traditional archival holding accessible online. More than 1.9 million digital objects linked to nearly 774,000 descriptions are in our online catalog.

Discussion   NARA's *Strategy for Digitizing Archival Materials for Public Access, 2007-2016*, lays out our commitment to expanding public access to our important historical holdings through digitization. Our Office of Innovation oversees the National Archives' Open Government and Digital Government Strategy efforts and leads NARA's efforts to create innovative ways to serve our customers and increase access to and delivery of records through all forms of media.

In FY 2013, we implemented the Digital Government Strategy and we joined GSA's Digital Analytics Program. As part of this program, we evaluated the shared analytics tool and completed our implementation of the government-wide tool (Google Analytics) on Archives.gov.

We continued to work on the implementation of NARA's Open Government for 2012-2014, including the flagship initiative to provide innovative digital access to the records of the National Archives. Throughout the year, we expanded electronic datasets available on *Data.gov*, including datasets from the Office of the Federal Register and grants data from the National Historical and

Publications Records Commission spanning almost 50 years. We feature 48 NARA datasets on *Data.gov*.

We made efforts this year to improve the safety and productivity in our labs. We analyzed current processes, proposed future processes, and developed new processes for NARA internal offices to request digitization work and for moving new content from our digitization labs to the online catalog. Our new processes will increase both the quantity and quality of digitization at the agency.

In addition to our internal digitization projects, we work to establish external digitization partnerships to further increase the volume of digitized holdings online. We continue to develop and launch collaborative projects, public challenges, and partnerships with the archival community, industry, and academic institutions to support innovation activities. Our partners are currently digitizing at NARA facilities around the country. Two partnerships established this year include a new digitization agreement with American University to digitize a sample of bankruptcy case files that will provide us with the digital images and metadata to facilitate researcher use and a digitization agreement with the Fish and Wildlife Service to digitize narrative reports created by the service. Currently, we have six active digitization partnerships.

NARA has an expanding social media presence and we use these tools and sites to create new ways of communicating with the public. NARA's statistics illustrate a growing popularity of our sites with millions of views performed each month. Many of our digitized holdings are accessed through these sites. We have collaborated with *Wikipedia* and *Wikimedia* since 2010, and since that time, we have added 127,368 digital copies of our records to Wikimedia Commons and other Wikimedia users have added 2,415 NARA images to the Commons. More than 5,700 of these media files have been used in more than 44,000 articles in Wikipedia, and pages that contain NARA images were viewed approximately 1.2 billion times in FY 2013.

Our Presidential Libraries social network continues to thrive as a dynamic resource. The social media channels that we publish feature timely content and relevant interactions with our customers. To simplify access for customers, we collected content from across the Presidential Libraries' social media pages to target a national audience. This communication is published through *Our Presidents* on *Twitter* and *Tumblr;* and *USNatArchives* on *Facebook*. As our social network grows, we focus on staying current with developing social media, mobile, and interactive technology while ensuring that we maintain a consistently high standard for our content.

Engaging the public in our digitization efforts through NARA's Citizen Archivist Dashboard, the portal for NARA's crowd sourcing activities has proven effective. We invited public participation in tagging, transcription, editing articles, uploading images, including presentations at Social Media Week 2013. Using the dashboard, we showcased, "Old Weather," featuring nearly 70,000 images of Arctic ship logs from our holdings digitized in a partnership with the National Oceanic Atmospheric Administration (NOAA). These are available on the dashboard for citizens to transcribe and index. The transcriptions help scientists recover Arctic and worldwide weather observations made by U.S. ships.

Performance Data	2008	2009	2010	2011	2012	2013
Performance target for percent of traditional archival holdings accessible online.	–	–	*.30*	*.65*	*1*	*1.2*
Percent of traditional archival holdings available online.	.04	.04	.6	.8	1.2	1.2
Performance target for percent increase in online catalog visits.	*10*	*10*	*–*	*–*	*–*	*–*
Percent increase in online catalog visits.	131	-6	-4	9	2	8
Number of online catalog visits (in thousands of visits).	671	631	603	657	673	734

FY 2014 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 2013 Objectives   ☐   Describe 85 percent of NARA traditional
                                         holdings in the online catalog.

                                  ☑   Describe 85 percent of NARA artifact holdings in
                                         the online catalog.

                                  ☑   Describe 85 percent of NARA electronic holdings
                                         in the online catalog.

Results   ✔   We described 83 percent of NARA traditional
                                         holdings in the online catalog.

                                  ✔   We described 95 percent of NARA artifact
                                         holdings in the online catalog.

                                  ✔   We described 93 percent of NARA electronic
                                         holdings in the online catalog.

Discussion   NARA's Online Public Access (OPA) is the agency's online catalog. OPA provides access to descriptions of holdings, artifacts, and electronic records held by the National Archives. This comprehensive, self-service tool ensures that anyone with an internet connection has access to the descriptions of more than 3.6 million cubic feet of traditional holdings (e.g., historical documents, videos, photographs), 568,000 artifacts, and more than 12 billion born-digital records currently described in the online catalog.

In addition to review processes to ensure high quality descriptions, we offer numerous description training opportunities to staff. We completed development activities for the next generation description and authority service (DAS) that staff will use to create descriptions of the agency's records for the online catalog. The tool will also allow us to add millions of descriptions and digital objects from our partnership projects. DAS underwent extensive user acceptance in FY 2013 and will be deployed to staff that create descriptions for NARA's online catalog in FY 2014. DAS will streamline the description review process and impose automated business rules up front rather than as part of the manual review process.

Performance Data	2008	2009	2010	2011	2012	2013
Performance target for traditional holdings in an online catalog.	*60*	*65*	*70*	*75*	*80*	*85*
Percent of traditional holdings in an online catalog.*	71	73	72	74	81	83
Number of traditional holdings described in an online catalog (millions of cubic feet).	2.4	2.7	2.8	3.0	3.4	3.7
Number of traditional holdings described in NARA (millions of cubic feet). **	3.7	3.9	4.0	4.2	4.5	4.6
Performance target for artifact holdings described in an online catalog.	*60*	*65*	*70*	*75*	*80*	*85*
Percent of artifact holdings described in an online catalog.*	65	80	74	78	88	95
Number of artifact holdings described in an online catalog (thousands of items).	353	465	466	466	528	568
Number of artifact holdings described in NARA (thousands of items).	582	628	600	600	600	600
Performance target for electronic holdings in an online catalog.	*60*	*65*	*70*	*75*	*80*	*85*
Percent of electronic holdings described in an online catalog.	98	95	96	96	87	93
Number of electronic holdings described in an online catalog (billions of logical data records).	5.4	6.4	6.7	6.9	10.0	12.2
Number of electronic holdings in NARA (billions of logical data records).	5.5	6.7	6.9	7.2	11.4	13.1
Number of online catalog users (in thousands of visits).	671	631	603	657	673	734

*Percent of holdings described in an online catalog may differ from previous PARs because percent is now based on a start of year inventory. ** The figures for traditional holdings are less than reported in previous years by about 3,600 cubic feet (1/10th of 1 percent) due to the re-allocation of a collection stored at the Library of Congress.

FY 2014 Performance Plan Evaluation   We will continue to expand our online holdings and identify innovative ways using social media to increase access.

4.4 WEB SITES

FY 2013 Objectives   ❑   Develop a proposal and project plan to host
                                     NARA web sites in the cloud.

Results   ✓   We prepared a business case to procure Content
                                     Delivery Network (CDN) services.

Discussion   In 2011, the United States Chief Information Officer issued the *Federal Cloud Computing Strategy* to address the Federal government's fragmented information technology environment. This strategy moves agencies to adopt a *Cloud First* policy whereby agencies evaluate secure cloud computing options before making any new information technology investments. Cloud computing leverages a shared network infrastructure and provides agencies with an opportunity to more efficiently manage their information technology investments.

Like many other Federal agencies, NARA is developing needs and requirements for meeting the "cloud first" initiative.   In early 2012, we moved the archives.gov web site to the cloud due to high public interest in the 1940 Census data release. Lessons learned from this experience helped us as we developed our business case to move other NARA web sites to a cloud computing

service model.   Our business case outlined a phased approach to procure Content Delivery Network (CDN) services to ensure content is delivered to users at level of high availability and high performance when we experience increased web traffic for services.

Performance Data	2008	2009	2010	2011	2012	2013
Online visits to NARA's web sites (in thousands).	37,807	37,470	41,058	33,600	43,969	49,603
Performance target NARA web site scores as percent of benchmarked score for other Federal web sites.	*Establish baseline*	*67*	*72*	*75*	*75*	*—*
Percentage point improvement in web sites scores.	—	3	5	-2	-1	NA
Web sites score at or above the benchmark for excellence as defined for Federal Government web sites.*	66	69	74	72	71	NA

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

FY 2014 Performance Plan Evaluation   We will propose an approach to migrate all of NARA web sites internally managed to the cloud. We will examine the costs, benefits, and trade-offs for adopting cloud computing and address the challenges such as privacy, security, costs, etc.

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 2013 Objectives	☑	88 percent of NARA education program visitors are satisfied with their visit.
	☑	88 percent of NARA public program visitors are highly satisfied with their visit.
Results	✓	One hundred percent of our education program visitors were satisfied with their visit.
	✓	Ninety-eight percent of our public program visitors were satisfied with their visit.

Discussion: As the keeper of the records of the Federal government, the National Archives literally safeguards 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 films to immerse visitors in the sights and sounds of the past.

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. While each Library has 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, as well as programs for adults and families.

Our Presidential Libraries support open government through a variety of social media tools that encourage two-way conversations with our audiences. We focus on quality content to maximize customer engagement. We manage and facilitate access to our digital holdings on more than 30 social media pages that include *Facebook, Flickr, History Pin, Pinterest, Twitter, Tumblr, YouTube,* and several others. Teachers are now able to participate in our National Archives Education blog updates and other social media pages to learn about resources and opportunities at NARA.

Our National Archives in St. Louis presented a new exhibition titled, *Through America's Lens: Focusing on the Greatest Generation 1920-1945.* This exhibit featured some of America's most memorable photographic images, along with documents from the personnel folders of those who created those images. Two public outreach events were held in association with the exhibit that addressed historical photographs impact on time and memory and poverty issues related to the images featured in the exhibit. We strive to provide high quality public programs although we had to cancel several due to the current fiscal climate. One popular event, our annual genealogy fair, was canceled and reformatted as a very successful, live Internet event. This Virtual Genealogy Fair, held over two days, showcased the diversity of Federal records located at the National Archives as resources for family history research. Finding new and creative ways to offer quality services in a changing environment is key to maintaining high levels of satisfaction with our customers.

DocsTeach, one of our highly successful open government initiatives, is an award-winning 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 teachers with access to primary sources, instruction in best practices, and opportunities to interact with teachers across the nation. We conduct evaluations of our summer institute, *Primarily Teaching*, which requires teachers to develop lesson plans for posting on *DocsTeach*. Customer satisfaction is typically rated at 100 percent for this workshop. Consistent use of feedback forms for our workshops, conferences and presentations provides us with more accurate information about customer satisfaction and helps to uncover where improvements are needed.

National Archives Experience Phase II renovations were identified to improve our visitor's exhibit experience. Results from an FY 2010 AASLH survey indicated that visitors had concerns navigating some of our exhibits and touring the National Archives in Washington, DC. In FY 2012, we increased the number of signs throughout our building, offering directions and instructions to our visitors. This year, we achieved substantial progress toward completion of the David M. Rubenstein Gallery and the Visitor Orientation Plaza infrastructure to support the installation of exhibits managed by the Foundation for the National Archives. Opening of the gallery is scheduled for early FY 2014.

Performance Data	2008	2009	2010	2011	2012	2013
Number of physical visitors to NARA museums, exhibits, research rooms and programs (in millions).	3.2	3.6	3.6	4.0	3.8	4.1
Performance target for percent of NARA education program visitors satisfied with their visit.	–	–	*85*	*86*	*87*	*88*
Percent of NARA education program visitors satisfied with their visit.*	–	–	–	–	–	100
Performance target for percent of NARA public program visitors satisfied with their visit.	–	–	*85*	*86*	*87*	*88*
Percent of NARA public program visitors satisfied with their visit.	100	99	99	99	100	98

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

FY 2014 Performance Plan Evaluation   We will continue to survey our customers to identify areas where we can improve service.

5.2 NHPRC-ASSISTED PROJECTS

FY 2013 Objectives   ☑   85 percent of all NHPRC-assisted grants produce
                                        the results expected.

Results   ✓   More than 90 percent of all NHPRC-assisted
     "We are immensely   grants successfully reached their goal and
grateful for the support the   produced the results expected.
     NHPRC has given…"

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.

The NHPRC closed 104 grant projects with a 91 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 typically challenged with simultaneously managing more than 200 ongoing grant
projects and more than 100 additional projects funded each year. The NHPRC continues to
provide training to grantees using its 2012 publication *Introduction to Financial Management for
Grant Recipients* available online, recognizing that when grantees manage their grant funds well it
improves overall success rates. A major enhancement this year was the implementation of the
Accounting Systems and Financial Capability Questionnaire. Recipients of grants awarded in
November 2012 and June 2013 completed the questionnaire, which helps NHPRC educate
recipients about specific financial requirements. Determining the effect this new tool has on
grantee performance may take some time to discern; however, it is already providing NHPRC
staff with valuable information about areas where grantees need better procedures and training.
Additionally, NHPRC hosted webinars for nearly 80 financial agents, project directors, and
authorized representatives on "*Managing the Finances of Your NHPRC Grant.*"

This year, more than 90 percent of the grants made by the NHPRC were successful. As a result,
archives around the country preserved and described more than 38,900 cubic feet of historical
records; historians published 20 volumes of authoritatively-transcribed and annotated
documents; and various repositories made nearly 1,417,000 digital facsimiles of historic records
available for free research online.

The NHPRC successfully launched the web resource, *Founders Online*, on June 13, 2013, and
response to its release was overwhelmingly positive from both the press and visitors to the site.
Through close cooperation with the University of Virginia Press, we are able to provide the
public with free online access to more than 120,000 documents written by or to the Founding
Fathers. This easy to use website, *Founders Online* (www.founders.archives.gov), provides access
to the words of the founders of our nation. *Founders Online* rests on the hard work of dozens of
scholars, archivists, and funders who have undertaken and supported the research for over 50
years. These letters and other writings capture the crucial debates about independence,
government, and freedom as well as document the daily struggles and joys of those who lived
through those critical times. Web server statistics report more than 122,000 unique visits with

promising numbers for visitors returning to the site. A second part of our Founders Online Initiative is to provide early access to transcripts of Founders documents that have not yet been authoritatively transcribed and published. In support of this effort, thousands of unpublished documents from the Founding Fathers were transcribed and put into a format so they can be searched as part of *Founders Online*. Though the documents do not have the notes that enrich the previously published volumes, this effort provides immediate public access to these not-yet-published materials.

Performance Data	2008	2009	2010	2011	2012	2013
Performance target for percent of all NHPRC-assisted grants produce the results expected.	–	–	*82*	*85*	*85*	*85*
Percent of all NHPRC-assisted grants produce the results expected.	81	82	92	84	89	91

FY 2014 Performance Plan Evaluation We will complete the second part of our Founders Online Initiative to improve existing rough transcriptions or prepare original transcriptions of 68,000 historical documents from the unpublished Founders' papers and release verified transcripts of these materials on *Founders Online*.

Strategic Goal 6: Infrastructure

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

Long-Range Performance Targets	6.1. By 2016, 95 percent of employees possess the core competencies that were identified for their jobs.

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

6.3. By 2016, 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 2013 Objectives

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

☑ Complete competency gap analysis throughout all NARA organizations.

☐ Rollout electronic Individual Development Plan (eIDP) and mentor program.

Results

✓ We have established competency models for more than 87 percent of the jobs at NARA.

✓ We completed competency gap assessments for core competencies, leadership competencies, and a general technical credibility competency.

✓ We piloted an eIDP and mentoring program.

Discussion: Vital to the success of fulfilling NARA's mission is having staff with the necessary sets of skills, knowledge, and abilities to meet current and future organizational goals.   To ensure that staff have the appropriate competencies to perform their work, we examined NARA's occupations throughout the agency to identify competencies required at all levels and use this as the groundwork to understand what we have and what we need to develop. Competency models describe the set of skills, knowledge, and abilities necessary for successful performance in a given job. Well-crafted competency models reduce legal exposure in hiring practices as well as improve 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.

By FY 2013, we established competency models and other related assessment material for nearly 87 percent of the various occupations within NARA. In addition to the competency models, we created competency-based assessments such as interview guides and occupational questionnaires. Using these tools, we performed an agency-wide gap analysis. This essential component of the workforce planning process helped us identify whether we have the skills and expertise needed to meet strategic goals and effectively respond to future requirements. Agency leaders determined desired proficiency levels for competencies relevant to their areas, and rated employees on their current level of core competencies and technical credibility. The results helped inform training and development decisions and key actions needed to close the gaps. This exercise increased awareness among leadership about staff competency gaps and revealed that the largest agency-wide gaps exist in organizational awareness and communication.

We piloted an electronic Individual Development Plan (eIDP) tool designed to allow employees to create and monitor training and development activities online. Management can use the tool to understand training and development needs around the agency. While we piloted the tool to nearly 80 percent of NARA's managers and supervisors, we experienced a few integration challenges with some of the human resource systems currently used by NARA that we must resolve before a full rollout to staff.

Mentoring and coaching is a popular method to retain and develop talent, improve productivity and performance ratings, develop leaders, and improve diversity. We promoted our new mentoring program at NARA through a communication campaign across the agency titled "KNECT," which stands for "Knowledge, Engagement, Connection, and Trust." This program where experienced staff are paired with more junior employees is designed to enhance the professional and personal development of both groups of participants. Mentoring information sessions were conducted resulting in 17 participants joining the pilot.

Performance Data	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Performance target for percent of NARA's positions that have a competency model.	–	–	–	–	*85*	*85*
Percent of NARA's positions with competency models.	–	–	–	–	42	87

FY 2014 Performance Plan Evaluation   NARA will launch a process to build career paths at the agency with a focus on adjusting and creating career paths, documenting career paths, and identifying resources and developing programs to support career growth.

6.2 WORKFORCE DIVERSITY

FY 2013 Objectives   ☐   Increase the participation rate 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 3 out of 8
                                        underrepresented groups matched or exceeded
                                        their rate in the Civilian Labor Force.

                                      ✓ Fifty-four percent of NARA employees
                                        responded positively to workforce diversity
                                        questions on the Annual Employee Survey.

Discussion: The Archivist is committed to making a better workplace culture at NARA. NARA strives to achieve a diverse and inclusive workforce that reflects the demographics of our nation. We engage in a number of activities to maximize employee talent through an expansion of targeted efforts in outreach, recruitment, and hiring. In addition, we conduct annual benchmark efforts to identify, adopt, and implement successful practices in other Federal agencies and organizations. By promoting and valuing workforce diversity, we create a work environment where employees with a variety of experiences can offer varied perspectives and viewpoints to 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, two or more races, and persons with disabilities), we met or exceeded the Civilian Labor Force rate for women, Blacks/African Americans, and employees of two or more races. Despite the strides NARA made to ensure diversity, we remain committed to further improving our efforts as we endeavor to ensure our workplace mirrors the diversity of the nation we serve.

This year, NARA began a number of coordinated efforts to cultivate diversity in the workplace. NARA developed and introduced a Diversity and Inclusion Toolkit to assist managers, supervisors, and employees with integrating diversity and inclusion values and practices into agency processes. Information sessions were held with several agencies to identify and benchmark best practices within the Federal government. We developed guidance on establishing employee affinity groups as a result of these Federal agency interactions and sharing of best practices. We successfully garnered participation from around the agency in a video challenge promoting diversity. Thirteen submissions were received and footage will be used to create a video for NARA staff, new hires, and shared with the Office of Personnel Management as a successful practice in cultivating a diverse and inclusive workplace.

We continued to pursue strategies to enhance underrepresented groups at NARA. Examples of our strategies include expanding partnerships with minority-serving universities, education associations, and professional organizations; promoting student employment opportunities through social media; and partnering with the Department of Interior to provide managers with Diversity Change Agent training. In addition, we established a Special Emphasis Program (SEP) within the agency with the goal of giving employees the opportunity to help the agency become a model workplace of choice. More than 80 staff applied to become SEP Managers, a collateral-duty assignment, and will serve as a line of support and resource for NARA managers, supervisors, employees, and prospective applicants. The SEP Managers will be trained and equipped to develop action plans that are specific to the needs of individual organizations, nationwide. The program is open to all employees, regardless of job title or grade level, and provides them an opportunity to play a vital role in NARA's future.

NARA participates in the annual, government-wide Employee Viewpoint Survey (EVS) administered by OPM as part of its 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. The EVS results give us one data point in the overall assessment of how well diversity and inclusion is viewed at NARA. We provide a wide variety of tools, techniques and experiences designed to assist employees at all levels of the agency to effectively lead and thrive in a diverse and inclusive workplace.

FY 2014 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 analyze methods to better understand our applicant data as we work to model the Civilian Labor Force. 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 2013 Objectives	☑	40 percent of NARA's positions are filled within 80 days.
Results	✓	We filled 40 percent of NARA's positions within 80 days.

Discussion: NARA's ability to attract the best talent in a competitive market is enhanced by an effective hiring process. Proper workforce planning decreases delays experienced when agency program offices need to commence, resume, or properly staff work vital to the agency's mission. Instituting hiring processes that simplify, facilitate, and support both manager and job applicant reduces the risk of losing potential NARA job seekers to positions external to the agency, which may happen 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.

This year, we experienced an increased volume in workload because of several factors. We were required to formally announce all Pathway student intern positions and an increased number of applicants meeting job certifications required more qualifications and eligibility review time by our staff. We continued to streamline our processes and met routinely with executives and senior managers to address issues and concerns to mitigate delays that may impact timeliness. Additionally, we are implementing new performance plans that clearly lay out the roles and responsibilities of each employee in our Human Capital office involved in the 80 days to hire process.

Performance Data	2008	2009	2010	2011	2012	2013
Number of applicants.	—	—	18,524	30,732	23,083	32,404
Number of applicants hired.	—	—	157	317	206	564
Average number of days to fill position.	—	—	152.2	144.0	109.4	TBD
Performance target for percent of NARA's positions filled within 80 days.	—	—	*30*	*40*	*25*	*40*
Percent of NARA's positions filled within 80 days.	—	—	12	10	27	40

FY 2014 Performance Plan Evaluation Within our Human Capital office, we will identify ways to improve the customer's experience when working with subject matter experts.

6.4 NONTRADITIONAL WORK ARRANGEMENTS

FY 2013 Objectives	☑	30 percent of NARA's eligible staff participates in the telework program.
Results	✓	Nearly 32 percent of NARA's eligible staff participates in the telework program.

Discussion: NARA's telework program serves to improve the quality of work life, recruit job seekers, retain talented staff, and support our continuity of operations program. Telework is a tool that affords the employee a balanced work life while also allowing both the agency and employee to accomplish the mission of the agency.

Results from the 2012 Employee Viewpoint Survey indicated a need for more communication and education about telework throughout NARA. To facilitate understanding of the telework policy, we provided additional guidance on telework-related requirements following dismissals and closures. We are also implementing a telework agreement database to track agreements and inform employees and supervisors of renewal agreements. To prepare for emergencies, we conducted a continuity of operations (COOP) telework preparedness assessment and plan to routinely remind our COOP staff--Emergency Relocation Group (ERG) members and Devolution Emergency Response Group (DERG) members—of the requirement to have an active telework agreement in place in case of emergency.

Performance Data	2009	2010	2011	2012	2013
Percent of NARA's staff eligible to telework.	–	28	29	29	45
Performance target for percent of NARA's eligible staff in telework program.	–	*15*	*15*	*12*	*30*
Percent of NARA's eligible staff participating in the telework program.	–	16	23	32	32
Number of telework hours worked by NARA employees (in thousands).	–	63.7	112.6	74.1	TBD

FY 2014 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 2013 Objectives	☑	Public network applications are available 98.88 percent of the time.
	☑	Implement at least two cloud-based solutions for applications.
	☑	Create governance infrastructure for improving storage management.
Results	✓	Our public network applications were available 99.8 percent of the time.
	✓	We migrated NARA's email services and implemented NARA's Description and Authority Service in the cloud.

✓ We created a governance infrastructure for improving enterprise storage management at NARA.

Discussion: We rely heavily on technology to conduct business with the public, perform our jobs, and facilitate communications. Technology 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. These tools offer flexibility and consistency in work processes and operations.

NARA hosts several applications that are available to the public through the Internet. These include the 1930 Census, Access to Archival Databases (AAD), eVetRecs, and Order Online!—to name a few. This year, we exceeded our target to have these applications available to the public no less than 98.88 percent of the time. 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 available 24/7. 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 our resources and services to ensure optimal performance.

We completed several technical projects to improve overall performance, stability, and availability of NARA's internal network. We enabled security features to protect publicly available sites from unauthorized Domain Name Service (DNS) changes and attacks. In addition, we completed a DNS redesign project to provide a redundant and stable DNS environment to support web access for all NARA systems in case of network failure at any of our archives or Federal records centers located throughout the nation. Testing is underway to test circuit redundancy which will allow us to provide a redundant connection for wide area network and internet connectivity at the National Archives, College Park location.

In FY 2010, OMB recommended that agencies consider cloud-based solutions when making technology-related decisions. Their recommendation to focus on a "cloud first" approach and use shared service providers led us to select two projects to consider for cloud implementation. Our first effort was the migration of NARA's email service to the cloud. This project involved the migration of email, management of email accounts, directories, help desk support, and the establishment of security requirements. In FY 2013, we rolled out a cloud-based solution, *Google Cloud*, to all NARA users. The new tool provides a user-friendly email system with enhanced features and lower operational costs.

Our second project was the implementation of the Description and Authority Service (DAS) in the cloud. NARA's DAS is a complex system that will replace NARA's legacy Archival Description Catalog (ARC) system, which contains more than 6 million archival descriptions. Although we encountered issues during the development activities for the DAS (e.g., connecting NARA to the Amazon Web Service cloud infrastructure), we resolved these problems and successfully implemented the DAS training and test environments in the cloud. By the end of the fiscal year, we deployed the DAS to production for a subset of users.

NARA's need to improve our information technology infrastructure for business needs requires that we improve digital storage management within the agency. We addressed this problem with an effort to create a governance infrastructure for improving our storage management processes. We identified our baseline configuration through an analysis to identify NARA's existing storage systems. Enterprise storage business requirements were captured from our

internal business stakeholders. These requirements will help us establish standard operating procedures for maintaining our storage environments. Managing through technology transformations, such as the move of email to the cloud, presents challenges. While we have a baseline configuration for the agency's existing storage systems and a charter for the governance formation team, we need to identify the processes and architectures that will support our business needs.

Performance Data	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Percent of public network availability.	100	100	100	99.8	92.5	98.7
Performance target for percent availability of public applications.	*98.83*	*98.84*	*98.85*	*98.86*	*98.87*	*98.88*
Percent of public network applications availability.	99.5	99.5	99.7	99.5	99.1	99.8
Number of total hours that any public network application was unavailable.	424	414	305	459	780	116
Percent of customers highly satisfied with NARA helpdesk services (average for year).	83	87	87	83	83	88

FY 2014 Performance Plan Evaluation   We will continue expanding our technological infrastructure by finishing the implementation of the DNS redesign and DNS Security Extensions (DNNSEC) 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 2013 PROGRAM EVALUATIONS

Strategic Goal 2: Preserve and Process

Office of Inspector General, OIG Report 13-08, *Audit of NARA's Preservation Program*, July 9, 2013

> The objectives of this audit were to determine if (1) recommendations in the *Evaluation of NARA's Preservation Program (OIG Audit Report 05-13, dated June 2005)* were adequately implemented; and (2) program controls were adequate to meet the mission of preserving Federal records. There are six recommendations associated with this audit, all of which remain open.

Office of Inspector General, OIG Report 13-14, *Audit of Processing of Textual Records,* September 18, 2013

> The objective of this audit was to evaluate and assess the process of making archival records available to the public in a timely manner. There are eight recommendations associated with this audit, all of which remain open.

Strategic Goal 3: Electronic Records

Office of Inspector General, Management Letter 13-02, *Status of the Upgrade to the Electronic Records Archives Executive Office of the President System,* October 18, 2012

> This management letter informs the Archivist of concerns with the effort to upgrade the Electronic Records Archives Executive Office of the President System. There are no recommendations associated with this management letter.

Office of Inspector General, OIG Report 13-03, *Audit of the Electronic Records Archives System's Ability to Preserve Records,* February 15, 2013

> The objective of this audit was to evaluate and report on NARA's capability in preserving electronic records to ensure the continued existence, accessibility, and authenticity of electronic records over time. There are five recommendations associated with this audit, all of which remain open.

Office of Inspector General, Advisory Report 13-07, *Status Update of the Electronic Records Archives Executive Office of the President System Upgrade*, January 31, 2013

> This advisory report is to update the Archivist on the upgrade effort for the Electronic Records Archives Executive Office of the President System. There are no recommendations associated with this advisory report.

Office of Inspector General, OIG Report 13-11, *Audit of the Base ERA System's Ability to Ingest Records,* September 19, 2013

The objective of this audit was to evaluate and report on the capability of NARA's Base ERA System to ingest records presently and in the near future. There are three recommendations associated with this audit, all of which remain open.

Strategic Goal 6: Infrastructure

Office of Inspector General, Management Letter 13-04, *Vulnerabilities in Managing the Student Workforce at the National Personnel Records Center*, December 4, 2012

This management letter is to inform the Archivist of vulnerabilities regarding student employment at the National Personnel Records Center. There are no recommendations associated with this management letter.

Office of Inspector General, Audit Memorandum 13-06, *Audit of NARA's Compliance with the Improper Payment Elimination and Recovery Act of 2010*, January 31, 2013

As required by Section 3(b) of the Improper Payments Elimination and Recovery Act of 2010, the OIG reviewed NARA's improper payment reporting and accompanying materials to determine compliance. The OIG concluded that NARA is in compliance with the intent of the Improper Payments Information Act of 2002, as amended. There are no findings associated with this audit memorandum.

Office of Inspector General, OIG Report 13-09, *Audit of NARA's Data Backup Operations*, July 9, 2013

This audit was to determine whether NARA had a systematic, accountable, and documented process for restoring original data after a data loss event. There are 11 recommendations associated with this audit, all of which remain open.

Office of Inspector General, OIG Report 13-12, *Audit of NARA's Intrusion Detection and Prevention Systems and Incident Response*, September 10, 2013

The objective of this audit was to determine whether (1) NARA's IDPSs had been properly implemented and are operating effectively, (2) appropriate logical and physical security and environmental protection controls are in place, and (3) NARA's computer security incident response process is effective and efficient, and the incident response staff are adequately trained. There are 18 recommendations associated with this audit, all of which remain open.

Office of Inspector General, Audit Memorandum 13-15, *NARA's Handling of Paper-Based Disclosure of Personally Identifiable Information (PII)*, September 25, 2013

This audit memorandum is a follow-up to OIG Report 13-12 on NARA's IDPSs. It addresses issues related to handling paper-based disclosure events identified during the course of the earlier audit. There are two recommendations associated with this audit memorandum, both of which remain open.

Multi-Goal Evaluations

Office of Inspector General, OIG Report 13-01, *Audit of NARA's Internal Control Program,* December 10, 2012

> The objectives of this audit were to evaluate (1) NARA's compliance with guidance contained in FMFIA and Circular A-123, and the adequacy of the agency's assurance statement, (2) NARA's progress towards development of a formalized and comprehensive Internal Control Program (ICP), and (3) the status of open recommendations made in prior year reports. There are nine recommendations associated with this audit, all of which remain open.

Office of Inspector General, OIG Report 13-05, *Cotton & Company's NARA FY 2012 Financial Statements Independent Audit Report,* December 10, 2012

> The Inspector General contracted with Cotton & Company to conduct an audit of NARA's FY 2012 financial statements. There are seven new recommendations associated with this audit, as well as nine pending from prior year reports. A final determination on open recommendations will be included in the FY 2013 Financial Statement Independent Report.

Office of Inspector General, Audit Memorandum 13-10, *NARA Archival Facilities,* July 19, 2013

> The objectives of this audit were to determine if (1) recommendations in the *Evaluation of NARA's Preservation Program* (OIG Audit Report 05-13, dated June 2005) were adequately implemented; and (2) program controls were adequate to meet the mission of preserving Federal records. This audit memorandum that follows OIG Report 13-08 (above) focuses on the results related to NARA's archival facilities. There are five recommendations associated with this audit memorandum, all of which remain open.

Office of Inspector General, Management Letter 13-13, *Management Control Environment over Archival Operations at the National Archives at San Bruno, CA.* July 29, 2013

> This management letter brings to the Archivist's attention management control weaknesses observed during a limited visit to the National Archives at San Bruno, CA. There are no specific recommendations associated with this management letter.

Government Accountability Office, GAO-13-650, *Freedom of Information Act: Office of Government Information Services (OGIS) Has begun Implementing Its Responsibilities, but Further Actions are Needed*, September 2013

> To evaluate how effectively OGIS is meeting its responsibilities, GAO assessed actions that the office has taken to (1) implement its responsibilities for reviewing agencies' policies, procedures, and compliance with FOIA; (2) mediate disputes between FOIA requesters and Federal agencies; and (3) recommend policy changes and best practices to improve the administration of FOIA. There are two recommendations associated with the audit, both of which remain open.

Government Accountability Office, GAO-13-668, *National Archives and Records Administration: Actions Needed to Ensure Facilities That Store Federal Records Meet Standards*, September 2013

GAO's objectives were to (1) determine the types of facilities agencies use to store Federal records and the extent to which NARA's data on agencies use of storage facilities is complete, (2) evaluate the extent to which NARA has determined these facilities to be compliant with 36CFR Part 1234, (3) determine what actions NARA has taken to minimize damage to records in Federal records centers and the extent to which it documents such efforts, and (4) determine how NARA determines storage fees and whether fees differ among facilities. There are three recommendations associated with this audit all of which remain open.

Office of Presidential Libraries, *Archival Review*, May 2013

The office conducted a program review of the Richard Nixon Library in Yorba Linda, CA. The review resulted in 57 findings, all of which remain open.

Business Support Services, Security Management Division, *Physical Security and Life Safety Inspection*, February 2013

The office conducted an inspection at the Ronald Reagan Presidential Library in Simi Valley, CA. The inspection resulted in 19 findings, seven of which remain open.

Business Support Services, Security Management Division, *Physical Security and Life Safety Inspection*, March 2013

The office conducted an inspection at the John F. Kennedy Presidential Library and Museum in Boston, MA. The inspection resulted in 11 findings, all of which remain open.

Business Support Services, Security Management Division, *Physical Security and Life Safety Inspection*, March 2013

The office conducted an inspection at the Montgomery Plaza Learning Center in Ft. Worth, TX. The review resulted in three findings total, all of which remain open.

Business Support Services, Security Management Division, *Physical Security and Life Safety Inspection*, May 2013

The office conducted an inspection at the Kansas City Records Center in Lee's Summit, MO. The inspection resulted in 19 findings, four of which remain open.

Business Support Services, Security Management Division, *Physical Security and Life Safety Inspection*, June 2013

The office conducted an inspection at the Denver Archives and Records Center in Broomfield, CO. The inspection resulted in nine findings, all of which remain open.

Business Support Services, Security Management Division, *Physical Security and Life Safety Inspection*, June 2013

The office conducted an inspection at the Fairfield Palletized Storage Facility in Dayton, OH. The review resulted in four findings, all of which remain open.

Business Support Services, Security Management Division, *Physical Security and Life Safety Inspection*, June 2013

The office conducted an inspection at the Great Lakes Palletized Storage Facility in Chicago, IL. The inspection resulted in five findings, all of which remain open.

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.

Records Management Oversight

The Records Management Oversight Section of the Policy Analysis and Enforcement program of the Office of the Chief Records Officer is responsible for conducting the annual Records Management Self Assessment and evaluations of records management programs targeting specific agencies or topics. Major activities in FY 2013 included issuing a report based on results from the FY 2012 annual agency Records Management Self-Assessment (RMSA), conducting two records management inspections, and two records management program reviews.

Agency Records Management Self Assessments

The annual agency RMSA has proven to be an effective way for NARA to gather information from Federal agencies and give feedback they can use to improve their programs. The goal of the RMSA 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 FY 2013, the timing of the RMSA was moved from the third quarter FY 2013 to the first quarter FY 2014 to accommodate the reporting requirements of the *NARA/OMB Managing Government Records Management Directive (M-12-18)*. In October 2013, we will send the assessment to 274 agencies; the analysis and report will be completed in FY 2014.

In July 2013, we issued the annual RMSA report based on the data from 2012. The data indicates that there has been some improvement in agency scores over the previous RMSAs. There was an increase in agencies scoring in the low and moderate risk categories, which indicates that agencies are making gradual improvements in their records management programs to comply with the statutes and regulations governing Federal records.

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 fourth self assessment was conducted in June 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 these assessments can be found at http://www.archives.gov/records-mgmt/resources/self-assessment.html.

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 2013, NARA completed inspections of two agencies each with a particular focus: Department of Energy/National Nuclear Security Administration (NNSA) Records Management Practices at National Laboratories and Department of Homeland Security (DHS) Shared Use of Alien Registration Files by U.S. Citizenship and Immigration Services and U.S. Immigration and Customs Enforcement. NARA's inspection reports for previous inspections are available at: http://www.archives.gov/records-mgmt/resources/inspections.html.

Also in 2013, NARA followed up on a previous inspection with the National Geospatial-Intelligence Agency to develop a plan of corrective action that includes measurable steps and milestones to complete the improvements. NARA tracks similar plans developed by agencies following each inspection to ensure that the action items included in the plans are done.

NNSA Inspection

The NNSA inspection concentrated on Los Alamos, Lawrence Livermore and Sandia National Laboratories with a focus on access to historical records still maintained by NNSA, records retention scheduling and records storage. The general purpose of this inspection was to verify that the records management programs at the NNSA national laboratories have sufficient policies, processes, and procedures for: managing active records; ensuring that the storage of inactive records at the laboratories meet regulatory standards; and ensuring that temporary and permanent records are being handled according to their approved retention schedules. The inspection report for this inspection is completed and available at http://www.archives.gov/records-mgmt/resources/inspections.html.

DHS Inspection

The DHS inspection was very narrowly scoped and focused exclusively on the sharing of Alien Registration Files, (more commonly known as A-Files) which are a highly valued records series documenting immigrates to the United States, by the Department of Homeland Security's Citizenship and Immigration Services (USCIS) and Immigration Customs Enforcement (ICE) bureaus. The purpose of this inspection was to determine if DHS had established sufficient business processes, policies, and procedures to ensure the safety, security, and preservation of the high volume, highly active, and permanently valuable A-Files record series with a concentration on the sharing of files among the various components of DHS and whether such sharing posed undue risk to the records. This inspection focused solely on A-Files. We did not review the records management programs for USCIS, ICE, or DHS as a whole. We were interested in how these two agencies share the same record series in a way that ensures their continued preservation until such time as they are eligible for transfer to NARA. NARA chose to inspect the handling of A-Files because of the importance of the records to DHS business processes, as well as, to the genealogy community and other researchers. We are pleased to report that both agencies are working diligently to ensure the survival of these records. The report for this inspection will be finalized in FY 2014.

Managing Government Records Directive

The Managing Government Records Directive (M-12-18) was issued on August 24, 2012. This important guidance set in motion numerous, substantial, activities as NARA and Federal agencies began to implement the goals and actions contained in the Directive. The Directive covers the period from 2012 through full implementation at the end of this decade.

This Directive creates a robust records management framework that complies with statutes and regulations to achieve the benefits outlined in the 2011 Presidential Memorandum. This Directive was informed by agency reports submitted pursuant to Sec. 2 (b) of the Presidential Memorandum and feedback from consultations with agencies, interagency groups, and public stakeholders.

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. In addition, NARA is undertaking a review to update relevant portions of the Code of Federal Regulations to take into account the provisions of this Directive.

Two central goals are contained in this Directive along with numerous actions. These two goals are:

1.1 *By 2019, Federal agencies will manage all permanent electronic records in an electronic format,* and

1.2 *By 2016, Federal agencies will manage both permanent and temporary email records in an accessible electronic format.*

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

- Archivist of the U.S. presided over an inaugural meeting of the Senior Agency Officials (SAOs) on November 28, 2012, at the National Archives. This was the one year anniversary of the issuance of the Presidential Memorandum – Managing Government Records signed by President Obama. SAOs are designated to ensure that the department or agency efficiently and appropriately complies with all applicable records management statutes, regulations, and NARA policy, and the requirements of this Directive.

- Revised NARA transfer guidance for permanent electronic records (Transfer Guidance Bulletin) is to be released soon.

- Email guidance (Capstone Email Bulletin) was released in August. Numerous training sessions – both live and virtual followed the issuance of the bulletin. A recording of the training will also be posted to the NARA website to reach a wider audience.

- At the January meeting of the Federal Records Council, NARA invited agency participation in an Electronic Records Management Automation Working Group. The group organized a series of agency presentations on innovative automation projects, best practices, and lessons learned. It also organized a series of vendor presentations to gather and share information about products and services that agencies can use in automating electronic records management.

- On September 10, NARA hosted an industry day event, "The Managing Government Records Directive: A Grand Challenge for Industry," at The National Archives Building in Washington, DC, and streamed it to a remote audience. The event educated the vendor community about what Government records and information managers need to automate records management and meet the goals of the Directive. The event culminated with the announcement of a Request for Information (RFI) intended to gather information about relevant products and services for the Federal records management community.

- OPM held three focus groups on creating the Records Management Occupational Series. They are in the analysis phase now leading to the release of a draft product to be distributed to all agencies for a 60 day comment period.

- Working to develop a Community of Interest for the records management community. Includes Federal records management professionals, legal and IT leaders.

- Senior Agency Official Annual Report Template was sent to SAOs in August. SAOs will report on key records management activities in their departments / agencies, including the use of cloud services, between October 1st and December 31st.

- Discussed the actions in Table 1 at numerous conferences and events including SAA, ARMA (national conference and multiple local chapter events), FOSE and NAGARA. Additionally, held numerous briefings for Federal agencies on the Managing Government Records Directive including high-level onsite meetings at DHS and DoD.

Table 1: M-12-18 Managing Government Records Directive Action Status

No.	Due Date	Directive Action Item	Status
2.1	2012 ongoing	By November 15, 2012 and for each subsequent year, all agencies will designate and reaffirm a Senior Agency Official (SAO) to oversee a review of their records management program.	2012 Completed 2013 In Progress
2.2	2013	By December 2013, the SAO shall identify permanent records that have been in existence for more than 30 years and report them to NARA.	In Progress
2.3	2014	By December 2014, the designated Agency Records Officer for each agency must hold the NARA certificate of Federal Records Management Training.	In Progress
2.4	2014	By December 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.	In Progress
2.5	2013 2016	By December 2016, agency SAOs shall ensure records schedules have been submitted to NARA for all existing paper and other non-electronic records. By December 2013, agency Records Officers will identify all unscheduled records to NARA.	In Progress
A1	2013	By December 2013, NARA will complete, and make available, revised guidance, including metadata requirements, for transferring permanent electronic records, to include additional sustainable formats commonly used to meet agency business needs.	In Progress
A2	2013	By December 2013, NARA will issue new guidance that describes methods for managing, disposing, and transferring email.	Completed

No.	Due Date	Directive Action Item	Status
A3.1	2013	By December 2013, NARA 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.	In Progress
A3.2	2014	By December 2014, the Federal Chief Information Officers Council, and the Federal Records Council, working with NARA, will obtain external involvement for the development of open source records management solutions.	Tied to A3.1 completion
A4.1	2013	By December 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.	Completed
A5	2013	By December 2013, NARA will determine the feasibility of establishing a secure cloud-based service to store and manage unclassified electronic records on behalf of agencies.	In Progress
B1	2012 2013	By December 2012, the Archivist of the United States will convene the first of periodic meetings of all SAOs. Additionally, NARA will complete a review of all of its records management reporting requirements by December 2012, and produce a report template for a single annual report that each SAO will send to the Chief Records Officer for the U.S. Government commencing on October 1, 2013.	2012 Completed 2013 Completed
B2	2013	By December 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.	Completed
B3	2013	By December 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.	In Progress
B4	2013	By December 2013, NARA will identify a government-wide analytical tool to evaluate the effectiveness of records management programs.	In Progress
C1	2015	By December 2015, NARA will improve the current Request for Records Disposition Authority process.	In Progress
C2	2017	By December 2017, to reduce the need for unique records schedules submitted for approval to the Archivist, NARA, in consultation with appropriate oversight agencies, will make substantive changes to the General Records Schedules (GRS).	In Progress

Electronic Records Scheduled

In FY 2013, NARA continued its partnerships with Federal agencies to schedule electronic records series and systems 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 and permanently valuable records are transferred to NARA. NARA's continuing efforts to monitor the scheduling and transfer of agency electronic records (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.

As of September 30, 2013, NARA approved records schedules for 340 electronic records series and systems. Of this total, 95 were determined to be permanent and appropriate for transfer to the National Archives. By comparison, in FY 2012, NARA approved a total of 418 electronic records series and systems. 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 and Directive Requirement 2.5 (*Senior Agency Official Shall Ensure that Records are Scheduled*). In CY 2014, NARA will review the agency-reported submissions for the above Directive Requirement 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 the Directive, NARA Bulletins, and the E-Government Act.

Electronic Records Transferred to NARA

In FY 2013, NARA registered 204 transfers of permanent electronic records from 54 separate agencies, plus one transfer of electronic donated historical materials. In FY 2012, NARA received 217 transfers from Federal agencies. The table below lists the agencies that have transferred electronic records to the National Archives for permanent preservation in FY 2013.

Agency	Number of Transfers Received FY 2013
Administration on Aging	1
Agricultural Marketing Service	1
Agricultural Research Service	1
Army Staff	2
Bureau of Economic Analysis	1
Bureau of Indian Affairs	2
Bureau of Labor Statistics	11
Bureau of Land Management	1
Bureau of Naval Personnel	5
Bureau of Public Debt	1
Bureau of Reclamation	8
Census, Bureau of the	27
Centers for Disease Control and Prevention	12
Centers for Medicare and Medicaid Services	2
Cooperative State Research, Education and Extension Service	3
Defense Intelligence Agency	1
Defense, Office of the Secretary of	24
Donated Material	1
Education, Department of	1
Employment and Training Administration	3

Agency	Number of Transfers Received FY 2013
Environmental Protection Agency	12
Federal Aviation Administration	1
Federal Communications Commission	4
Federal Highway Administration	9
Federal Railroad Administration	2
Federal Reserve System	2
Fish and Wildlife Service	2
Food and Drug Administration	2
Government Accountability Office	1
Historic American Building Survey (HABS)\Historic American Engineering Record (HAER) Division	1
Housing and Urban Development, Department of	1
Internal Revenue Service	1
Interstate Commerce Commission	3
Justice, Department of	1
Labor, Department of	2
Merit Systems Protection Board	1
Mine Safety and Health Administration	1
National Aeronautics and Space Administration	8
National Agricultural Statistics Service	7
National Institute of Standards and Technology	1
National Labor Relations Board	2
National Park Service	2
National Science Foundation	1
Naval Operating Forces	1
Navy, Department of	1
Office of the Chief of Engineers	1
Office of the Director of National Intelligence	1
Office of Thrift Supervision	1
Presidio Trust	1
Securities and Exchange Commission	1
Social Security Administration	1
State, Department of	14
Substance Abuse and Mental Health Services Administration	1
Temporary Committees, Commissions and Boards	2
U.S. Citizenship and Immigration Services	4
TOTAL	**204**

Records Scheduling Backlog Project

In FY 2013, NARA continued specific actions begun in FY 2011 to reduce the number of unprocessed records schedules that are two years old and older (i.e., FY 2010 and earlier). In FY 2013, NARA placed additional emphasis on processing "pre-backlog" records schedules, which are defined as those schedules that are one year old, but not yet two years old or older. (i.e., FY 2011 records 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 the progress on backlog schedules in detail, as well as collect data on reasons why a schedule was not completed within two 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 FY 2012, 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.

Over the past two fiscal years, NARA has made steady progress in reducing the backlog.

Backlog Status	FY 2012	FY 2013*
Goal (percentage closed)	85	75
Start	210	232
Closed	181	176
Percent Closed	86	76%
Remaining	29	56
Projected FY 2014 backlog: 56 schedules **(FY 2014's starting backlog is 38 percent smaller than FY 2013)**		

The FY 2013 numbers include one additional year of "pre-backlog" schedules added to the initiative to provide a head start on the FY 2014 backlog.

Reducing the records scheduling backlog will be an ongoing project. NARA's goal is to reduce the number of records schedules that become backlog each fiscal year. In order to achieve this goal, only those schedules that 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 was mandatory for all agencies beginning in FY 2013. The structured form for schedules in ERA will assist agencies in submitting schedules containing the required information. NARA will remind agencies of records 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 (i.e., 40 days).

NARA will continue prioritizing those schedules that are or will become backlog in the next fiscal year, and will track those records 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 two years. In addition, in FY 2014, as part of NARA's ongoing work related to the Directive, NARA will be reviewing the appraisal process to

determine where it might be streamlined and more efficient at managing the records scheduling workload. NARA is also continuing work on revising the General Records Schedules to provide for more coverage of agency records so that Federal agencies will not be required to submit as many agency-specific records schedules.

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 2013 cases are as follows:

Open cases, start of FY 2013:	40 *
Cases opened in FY 2013:	19
Cases closed in FY 2013:	19
Open cases, end of FY 2013:	40

* Includes two cases for Administrative Conference of the United States opened in FY 2012 but inadvertently not reported in the FY 2012 PAR.

Of the 40 cases open at the end of FY 2013, eleven cases are involved in ongoing litigation and one case is under investigation by the agency. NARA monitors the status of such cases and does not report them individually here. Table 1 lists the 28 cases that are open and are pending action by the agency or review by NARA. Table 2 lists the 19 cases closed in FY 2013.

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

Case Opened	Agency	Records	Status
August 1998	**Dept. of Army**, Office of Deputy Chief of Staff for Operations and Plans	Records of action officers	Pending agency response or follow-up
March 1999	**Dept. of Interior**, Bureau of Indian Affairs	Records of Crow Agency, Montana	Pending agency response or follow-up
August 2006	**Dept. of Navy**, U.S. Marine Corps ***	Records relating to 2005 incident in Haditha, Iraq	Pending agency response or follow-up
May 2008	**Dept. of Defense**, Defense Intelligence Agency	Video recordings of interrogations of terrorism suspect	Pending agency response or follow-up
December 2008	**Dept. of Defense**, Office of Secretary of Defense	Documents relating to torture issue	Pending agency response or follow-up
November 2009	**Dept. of Defense**, Office of Secretary of Defense	Email and electronic records of Coalition Provisional Authority, Iraq	Pending agency response or follow-up
March 2010	**Dept. of Interior**, Bureau of Indian Affairs, Office of Special Trustee for	Records at agency locations in western U. S.	Pending agency response or follow-up

Case Opened	Agency	Records	Status
	American Indians		
June 2010	**Securities and Exchange Commission**	Matter Under Inquiry files	Pending agency response or follow-up
December 2010	**Dept. of Energy**	Oil shale research records	Pending NARA review
April 2011	**Dept. of Energy**	Records relating to Yucca Mountain site	Pending agency response or follow-up
April 2011	**Dept. of Homeland Security**	Water-damaged records of Office of Intelligence & Analysis	Pending agency response or follow-up
April 2011	**Dept. of Homeland Security,** Federal Emergency Management Agency	Remedial Action Management Program records	Pending agency response or follow-up
September 2011	**Securities and Exchange Commission**	Investigative case files	Pending agency response or follow-up
October 2011	**Office of Personnel Management**	Electronic records relating to USAStaffing system	Pending agency response or follow-up
December 2011	**Dept. of Defense,** Joint Staff	Emails of Lt. General Stanley McChrystal	Pending agency response or follow-up
December 2011	**Dept. of Navy,** U.S. Marine Corps ***	Interrogations relating to 2005 incident in Haditha, Iraq	Pending agency response or follow-up
January 2012	**Administrative Conference of the United States**	Alienation of records	Pending NARA review
February 2012	**Administrative Conference of the United States**	Financial disclosure forms	Pending NARA review
June 2012	**Dept. of Agriculture,** Farm Service Agency	Records destroyed by fire in Enterprise, Oregon	Pending NARA review
September 2012	**Dept. of Defense,** U.S. Central Command	Records of fuel supply and delivery in Afghanistan	Pending NARA review
September 2012	**Dept. of Energy**	Use of personal email for official business	Pending agency response or follow-up
October 2012	**Department of Homeland Security**	Emails relating to FEMA grant funds	Pending agency response or follow-up
February 2013	**Peace Corps**	High-level officials' daily activity schedules	Pending agency response or follow-up
March 2013	**Equal Employment Opportunity Commission**	Records relating to job vacancy	Pending agency response or follow-up
June 2013	**Dept. of Veterans**	Loan and grant files	Pending agency response or

Case Opened	Agency	Records	Status
	Affairs		follow-up
July 2013	**Dept. of Navy**	Ship plans and blueprints	Pending agency response or follow-up
August 2013	**Dept. of Army**	Wartime awards records	Pending NARA review
August 2013	**U.S. Agency for International Development**	Records in South Africa post	Pending agency response or follow-up

** The Dept. of Health and Human Services case involving email of the Secretary, which was listed in previous PARs, is not listed because it is now involved in litigation.

*** The two Dept. of Navy cases involving the Haditha, Iraq, incident, which were not listed in previous PARs, are no longer under investigation and therefore are listed.

Table 2 covers cases of alleged unauthorized disposition closed in FY 2013. 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 2013

Case Opened	Agency	Records	Resolution
May 2007	**National Aeronautics and Space Administration ******	Video recordings of meeting of NASA Administrator	Allegation founded – corrective action taken
July 2007	**Federal Labor Relations Authority**	Records of FLRA Chair	Allegation not founded
April 2008	**Dept. of Defense,** Office of Secretary of Defense	Video recordings of interrogations	Allegation not founded
October 2011	**Dept. of Interior**	Records on registration of aliens in Northern Mariana Islands	Allegation founded – corrective action taken
July 2012	**Peace Corps**	Records from overseas post in Mauritania	Allegation founded – corrective action taken
September 2012	**Dept. of Air Force**	Mental health record at Kirtland AFB	Allegation founded – corrective action taken
September 2012	**Dept. of Homeland Security,** U.S. Citizenship and Immigration Services	Duplicate original naturalization record	Allegation not founded
October 2012	**U.S. Marshals Service**	Records damaged by flooding in Cedar Rapids, Iowa	Allegation founded – corrective action taken
December 2012	**Depart. of Agriculture,** Farm Service Agency	Records destroyed by water in Stanford, Montana	Allegation founded – corrective action taken
January 2013	**Environmental Protection Agency**	Data on cancer deaths	Allegation founded – corrective action taken
February 2013	**Dept. of Air Force**	Electronic data relating to facility access	Allegation founded – corrective action taken

Case Opened	Agency	Records	Resolution
February 2013	**Dept. of State**	Tokyo embassy records lost due to earthquake	Allegation founded – corrective action taken
February 2013	**Dept. of Treasury,** Office of Comptroller of Currency	Travel vouchers	Allegation founded – corrective action taken
March 2013	**Environmental Protection Agency**	Microfiche damaged by flood	Allegation founded – corrective action taken
April 2013	**Dept. of Interior,** Office of Secretary	Data on shared drives	Allegation founded – corrective action taken
April 2013	**Dept. of Interior,** Office of Solicitor	Records related to Cowlitz Fee-to-Trust applications	Allegation founded – corrective action taken
April 2013	**Dept. of Interior,** Office of Valuation Services	Administrative records in Hadley, Massachusetts	Allegation founded – corrective action taken
June 2013	**Dept. of Agriculture,** Farm Service Agency	Noninsured Assistance Program files	Allegation founded – corrective action taken
August 2013	**Environmental Protection Agency**	National Pollution Discharge Elimination System files	Allegation founded – corrective action taken

**** The NASA case involving video recordings was not listed in previous PARs because it was under investigation.

Definitions

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

Goal 1	Our Nation's Record Keeper
Federal agency reference request	A request by a Federal agency to a records center requesting the retrieval of agency records.

Goal 2	Preserve and Process
Accession	Archival materials transferred to the legal custody of NARA.
Appropriate space	Storage areas that meet physical and environmental standards for the type of materials stored there.
At-risk	Records that have a media base near or at the point of deterioration to such an extent that the image or information in the physical media of the record is being or soon will be lost, or records that are stored on media accessible only through obsolete or near-obsolete technology.
Declassification 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.

Goal 3	Electronic Records
Gigabyte	An International System of Units (SI) standard unit. A measure of computer data size. A gigabyte is one thousand megabytes, $1{,}000^3$ bytes.
Megabyte (Mb)	An International System of Units (SI) standard unit. A measure of computer data size. A megabyte is one million bytes, $1{,}000^2$ 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, $1,000^4$ 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, Two or more races); Women; Persons with Disabilities.

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SECTION 3

FINANCIAL SECTION

A Message from the Chief Financial Officer

The National Archives and Records Administration (NARA) has received an unqualified "clean" audit opinion on its FY 2013 financial statements. I am happy to report that this year's audit did not identify any material weaknesses over financial reporting.

A clean audit opinion provides independent confirmation that NARA's financial statements are presented fairly and in conformity with generally accepted accounting principles. Accurate and timely financial information improves NARA's accountability to its stakeholders and demonstrates that NARA is an effective steward of the resources in its custody and control.

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.

Micah M. Cheatham
Chief Financial Officer

Financial Statements and Auditor's Report

Principal Statements

Consolidated Balance Sheet
As of September 30, 2013 and 2012
(in thousands)

	2013	2012
Assets		
Intragovernmental		
Fund balance with Treasury (Note 2)	$ 189,363	217,600
Investments (Note 3)	15,203	14,525
Accounts receivable (Note 4)	19,831	15,130
Total intragovernmental	224,397	247,255
Cash	68	52
Investments (Note 3)	43,145	31,558
Accounts receivable, net (Note 4)	423	373
Inventory, net (Note 5)	941	1,055
General property, plant and equipment, net (Note 6)	304,894	378,001
Deferred Assets	600	651
Total assets	**$ 574,468**	**$ 658,945**
Stewardship PP&E (Note 7)	-	-
Liabilities		
Intragovernmental		
Accounts payable	$ 3,417	$ 4,620
Other (Note 9,10,11)	4,675	5,453
Total intragovernmental	8,092	10,073
Accounts payable	30,949	42,758
Debt held by the public (Note 8, 9)	134,947	151,585
Federal employee benefits-actuarial FECA (Note 8)	12,184	10,798
Environmental and disposal costs (Note 17)	6,214	-
Other (Note 9, 10)	19,903	19,636
Total liabilities	212,289	234,850
Commitments and Contingencies (Note 12)	-	-
Net Position		
Unexpended appropriations - Funds from Dedicated Collections	-	-
Unexpended appropriations - other funds	126,048	157,977
Cumulative results of operations - Funds from Dedicated Collections (Note 13)	57,318	43,686
Cumulative results of operations - other funds	178,813	222,432
Total net position	$ 362,179	$ 424,095
Total liabilities and net position	**$ 574,468**	**$ 658,945**

The accompanying notes are an integral part of these statements

Consolidated Statement of Net Cost
For the years ended September 30, 2013 and 2012

(in thousands)

	2013	2012
Program Costs (Note 14)		
Archives and Records Management Activities		
Gross costs	$ 414,424	$ 437,712
Less: Earned revenues	(68)	(612)
Total net archives and records management activities program costs	414,356	437,100
Trust and Gift Funds		
Gross costs (excluding heritage asset renovation)	13,540	13,851
Heritage asset renovation costs (Note 15)	3,171	2,757
Less: Earned revenues	(21,296)	(18,808)
Total net trust and gift fund costs	(4,585)	(2,200)
National historical publications and records commission grants		
Gross costs	7,911	9,686
Less: Earned revenues	-	-
Total net national historical publications and records commission grants program costs	7,911	9,686
Archives facilities and presidential libraries repairs and restoration		
Gross costs (excluding heritage asset renovation)	418	567
Heritage asset renovation costs (Note 15)	22,380	19,125
Less: Earned revenues	-	-
Total net archives facilities and presidential libraries repairs and restoration program costs	22,798	19,692
Revolving fund records center storage and services		
Gross costs	188,458	189,280
Less: Earned revenues	(177,870)	(176,351)
Total net revolving fund records center storage and services program costs	10,588	12,929
Net Cost of Operations	$ 451,068	$ 477,207

The accompanying notes are an integral part of these statements

Consolidated Statement of Changes in Net Position
For the year ended September 30, 2013
(in thousands)

Cumulative Results of Operations	Funds from Dedicated Collections	All Other Funds	Consolidated Total
Beginning Balance	$ 43,686	$ 222,432	$ 266,118
Budgetary Financing Sources			
Appropriations Used	-	392,147	392,147
Nonexchange Revenue	626	-	626
Donations and forfeitures of cash and cash equivalents	11,135	-	11,135
Transfers-in/out without reimbursement	(500)	500	-
Other	362	-	362
Other Financing Sources (Non-Exchange)			
Imputed financing	430	17,618	18,048
Other	(1,237)	-	(1,237)
Total Financing Sources	10,816	410,265	421,081
Net Cost of Operations	(2,816)	453,884	451,068
Net Changes	13,632	(43,619)	(29,987)
Cumulative Results of Operations	**57,318**	**178,813**	**236,131**
Unexpended Appropriations			
Beginning Balance	-	157,977	157,977
Adjustments			
Changes in accounting principles (Note 17)	-	(6,214)	(6,214)
Beginning balance, as adjusted	-	151,763	151,763
Budgetary Financing Sources			
Appropriations received	-	391,500	391,500
Other adjustments	-	(25,068)	(25,068)
Appropriations used	-	(392,147)	(392,147)
Total Budgetary Financing Sources	-	(25,715)	(25,715)
Total Unexpended Appropriations	-	126,048	126,048
Net Position	**$ 57,318**	**$ 304,861**	**$ 362,179**

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, 2012
(in thousands)

Cumulative Results of Operations	Funds from Dedicated Collections	All Other Funds	Consolidated Total
Beginning Balance	$ 36,841	$ 284,671	$ 321,512
Adjustments			
Corrections of errors	-	(1,311)	(1,311)
Beginning balance, as adjusted	36,841	283,360	320,201
Budgetary Financing Sources			
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	-
Other	265	-	265
Other Financing Sources (Non-Exchange)			
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)
Cumulative Results of Operations	**43,686**	**222,432**	**266,118**
Unexpended Appropriations			
Beginning Balance	-	167,447	167,447
Budgetary Financing Sources			
Appropriations received	-	391,500	391,500
Other adjustments	-	(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
Net Position	**$ 43,686**	**$ 380,409**	**$ 424,095**

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 year ended September 30, 2013 and 2012
(in thousands)

	2013	2012
BUDGETARY RESOURCES:		
Unobligated balance brought forward, October 1	$ 88,811	$ 63,980
Adjustment to unobligated balance, brought forward, October 1 (Note 22)	(724)	0
Unobligated balance brought forward, October 1, as adjusted	88,087	63,980
Recoveries of prior year unpaid obligations	10,649	33,929
Other changes in unobligated balance	(4,590)	(4,036)
Unobligated balance from prior year budget authority, net	94,146	93,873
Appropriations (discretionary and mandatory)	383,845	398,234
Spending authority from offsetting collections (discretionary and mandatory)	217,012	224,932
Total budgetary resources	695,003	717,039
STATUS OF BUDGETARY RESOURCES:		
Obligations incurred (Note 18)	603,989	628,228
Unobligated balance, end of year:		
Apportioned	56,517	56,812
Exempt from apportionment	10,467	8,544
Unapportioned	24,030	23,455
Total unobligated balance, end of year	91,014	88,811
Total budgetary resources	695,003	717,039
CHANGE IN OBLIGATED BALANCE:		
Unpaid obligations, brought forward, October 1 (gross)	181,861	205,433
Obligations incurred	603,989	628,228
Outlays, (gross) (-)	(609,819)	(617,870)
Recoveries of prior year unpaid obligations (-)	(10,649)	(33,929)
Unpaid Obligations, end of year (gross)	165,382	181,862
Uncollected Payments:		
Uncollected customer payments from Federal sources, brought forward, October 1 (-)	(38,496)	(19,441)
Adjustment to uncollected payments, Federal sources, start of year (Note 22)	724	0
Change in uncollected customer payments from Federal sources (+ or -)	(13,989)	(19,056)
Uncollected customer payments from Federal sources, end of year (-)	(51,761)	(38,497)
Memorandum (non-add) Entries:		
Obligated balance start of year (net), before adjustments (+ or -)	143,365	185,992
Obligated balance, end of year (net)	113,621	143,365
BUDGET AUTHORITY AND OUTLAYS, NET:		
Budget authority, gross (discretionary and mandatory)	600,857	623,166
Actual offsetting collections (discretionary and mandatory) (-)	(219,544)	(221,077)
Change in uncollected customer payments from Federal Sources (discretionary and mandatory) (+ or -)	(13,989)	(19,056)
Budget Authority, net (discretionary and mandatory)	367,324	383,033
Outlays, gross (discretionary and mandatory)	609,819	617,870
Actual offsetting collections (discretionary and mandatory) (-)	(219,544)	(221,077)
Outlays, net (discretionary and mandatory)	390,275	396,793
Distributed offsetting receipts	(12,838)	(6,767)
Agency Outlays, net (discretionary and mandatory)	$ 377,437	$ 390,026

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
> - 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 as promulgated by the Federal Accounting Standards Advisory Board (FASAB), and the requirements of the Office of Management and Budget (OMB) Circular A-136, *Financial Reporting Requirements*. The American Institute of Certified Public Accountants (AICPA) recognizes FASAB standards as GAAP for Federal reporting entities. 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, do not require an allowance for doubtful accounts

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 H. Bush Library, Clinton Library, and George W. Bush 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 with Vanguard are classified as trading equity securities which have readily determinable fair values and are measured at fair value in the balance sheet. Unrealized holding gains and losses, as well as interest income earned are recognized in earnings 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. For appropriated funds, 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 trust and revolving funds the annual leave is fully funded when earned and is, therefore, included 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 "reasonably 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 appropriation, 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. Funds from Dedicated Collections

NARA is subject to the Statement of Federal Financial Accounting Standards (SFFAS) Number 43, *Funds from Dedicated Collections: Amending Statement of Federal Financial Accounting Standards 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 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, 2013 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

Fund balances (in thousands)	2013	2012
Appropriated funds	$ 165,732	$ 204,662
Revolving fund	22,914	12,275
Trust fund	-	95
Gift fund	100	101
Other funds	617	467
Total	$ 189,363	$ 217,600

Status of Fund Balances with Treasury		
Unobligated Balance		
Available	51,095	50,313
Unavailable	24,030	23,455
Obligated Balance not yet disbursed	113,621	143,365
Other funds	617	467
Total	189,363	217,600

Unavailable unobligated balance includes the following		
Allotments - Expired Authority	17,678	17,430
Unapportioned Authority	6,352	6,025
Total	24,030	23,455

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, 2013 is $23,180 thousand (of which $582 thousand is unobligated) and $17,303 thousand as of September 30, 2012 (of which $808 thousand is unobligated).

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

The unused fund balance of $4,591 thousand in canceled FY 2008 appropriation was returned to Treasury at the end of the fiscal year.

Note 3 – Investments

Investments as of September 30, 2013 and 2012 consist of the following

(in thousands)

Amounts for 2013					
	Cost	Interest Receivable	Investments, Net	Adjustment to fair value	Fair Market value disclosure
Intragovernmental Securities					
Non-Marketable	$ 15,203	-	$ 15,203	-	$ 15,203
Total Intragovernmental	**15,203**	**-**	**15,203**	**-**	**15,203**
Other securities					
Short term Investment Grade	13,299	-	13,299	1,353	14,652
Vanguard Dividend Growth Fund	1,876	16	1,892	520	2,412
Vanguard Small Cap Index Fund	3,333	122	3,455	(374)	3,081
Vanguard Intermediate Term Investment Grade	12,671	-	12,671	(1,533)	11,138
Emerging Markets Stock Index Fund	3,241	13	3,254	(1,644)	1,610
Vanguard Developed Markets Index Fund	1,736	43	1,779	(71)	1,708
Vanguard Total Bond Market Index Fund	2,571	-	2,571	1,168	3,739
Vanguard Total Stock Market Index Fund	1,177	5	1,182	1,957	3,139
Vanguard PRIMECAP Core Fund	195	19	214	1,452	1,666
Total Other	40,099	218	40,317	2,828	43,145
Total Investments	**$ 55,302**	**$ 218**	**$ 55,520**	**$ 2,828**	**$ 58,348**

Amounts for 2012					
	Cost	Interest Receivable	Investments, Net	Adjustment to fair value	Fair Market value disclosure
Intragovernmental Securities					
Non-Marketable	$ 14,525	-	14,525	-	14,525
Total Intragovernmental	**14,525**	**-**	**14,525**	**-**	**14,525**
Other securities					
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	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
Total Other	28,877	84	28,961	2,597	31,558
Total Investments	**$ 43,402**	**$ 84**	**$ 43,486**	**$ 2,597**	**$ 46,083**

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

Intra-governmental Investments in Treasury Securities-Investments for Funds from Dedicated Collections
The Federal Government does not set aside assets to pay future benefits or other expenditures associated with funds from dedicated collections. 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 in the same way as all other 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

Note 4 – Accounts Receivable, Net

Accounts receivable consisted of the following:

(in thousands)

	2013		2012	
	Intra-governmental	With the public	Intra-governmental	With the public
Accounts receivable	$ 19,831	$ 423	$ 15,130	$ 373

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)

	2013	2012
Inventory held for sale	$ 1,189	$ 1,303
Allowance for damaged and obsolete goods	(248)	(248)
Net realizable value	$ 941	$ 1,055

Note 6 - General Property, Plant and Equipment, Net

The following components comprise Property, Plant and Equipment as of September 30, 2013 and 2012 *(in thousands):*

				2013	2012
Asset category	Estimated useful life in years	Acquisition cost	Accumulated depreciation/ amortization	Net book value	Net book value
Land	N/A	$ 6,159	-	6,159	6,159
Buildings and structures	30	396,102	(248,920)	147,182	160,814
Construction and shelving in progress	N/A	8,112	-	8,112	7,120
Equipment & Shelving	3 to 20	139,591	(108,131)	31,460	41,442
Leasehold Improvements	Various	33,469	(12,385)	21,084	24,042
Assets under capital lease	20	5,284	(4,566)	718	982
Internal-use software	5	338,003	(259,485)	78,518	120,514
Software development in progress	N/A	11,661	-	11,661	16,928
Total property, plant and equipment		$ 938,381	$ (633,487)	$ 304,894	$ 378,001

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. Property items not meeting the capitalization criteria are expensed. Depreciation expense is calculated using the straight-line method over the useful life
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 FY2012 Statement of Changes in Net Position.

Land and Buildings and structures above represent 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 (COTS) software and internally-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 are 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	13	-	13	4	13
TOTAL	16	2	35	7	15

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 20th 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 thirteen 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. The George W. Bush Library was completed and opened to the public in April 2013 at the Southern Methodist University.

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:

o   Traditional Textual (paper) are records on paper whose intellectual content is primarily textual.

o   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.

The George W. Bush Library is the single addition to NARA's heritage asset collections during FY 2013. 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, 2013 and 2012, consist of the following:

(in thousands)

	2013	2012
Intragovernmental		
Other - Workers' compensation	$ 741	$ 756
Total Intragovernmental	741	756
Debt held by the public	134,947	151,585
Other - Accrued unfunded leave	10,823	10,793
Federal employee benefits-actuarial FECA	12,184	10,798
Total liabilities not covered by budgetary resources	158,695	173,932
Total liabilities covered by budgetary resources	53,594	60,918
Total liabilities	$ 212,289	$ 234,850

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.

(in thousands)	**2013**	**2012**
Beginning balance - Principal	$ 150,519	$ 165,721
Less : Debt repayment	16,521	15,202
Ending balance - Principal	133,998	150,519
Accrued interest payable	949	1,066
Total Debt at September 30	$ 134,947	$ 151,585

Note 10 – Other Liabilities

Other Liabilities as of September 30, 2013 and 2012 consist of the following:

(in thousands)	**2013**		
	Non-Current	**Current**	**Total**
Intragovernmental			
Workers' and unemployment compensation	$ 1,442	$ 918	$ 2,360
Capital lease liability	12	139	151
Accrued payroll	-	1,419	1,419
Miscellaneous liabilities	-	3	3
Advances from others	-	742	742
Total Intragovernmental	1,454	3,221	4,675
Accrued funded payroll and leave	-	8,891	8,891
Unfunded leave	10,823	-	10,823
Miscellaneous liabilities	-	136	136
Advances from others	-	53	53
Total other liabilities	$ 12,277	$ 12,301	$ 24,578

	2012					
	Non-Current		**Current**		**Total**	
Intragovernmental						
Workers' and unemployment compensation	$	1,253	$	1,046	$	2,299
Capital lease liability		151		129		280
Accrued payroll		-		1,097		1,097
Miscellaneous liabilities		-		-		-
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

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):

Capital Leases - NARA as lessee		**2013**		**2012**
Summary of assets under capital lease:				
Shelving	$	5,284	$	5,284
Accumulated amortization		(4,566)		(4,302)
Description of Lease Arrangements				
Future payments due				
Fiscal year				
2014		146		
2015		12		
2016		-		
After 2018		-		
Total future lease payments		158		
Less: imputed interest		7		
Net capital lease liability		$ 151		

NARA also has the following non-cancelable operating leases with GSA, which include no renewal options:

Records facility	Lease Period
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 December 2, 2032
Townsend Rd, Philadelphia, PA	December 1, 2012 through November 30, 2032
Boyers, PA	January 1, 2013 through December 31, 2013

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.

Records facility	Lease Period
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):

Operating Leases - NARA as lessee

Future payments due:	Asset Category	
Fiscal year	Land	Buildings
2014	$ 142	$ 32,325
2015	146	32,345
2016	149	32,282
2017	153	32,429
2018	157	32,782
After 2018	771	321,551
Total future lease payments	$ 1,518	$ 483,714

Note 12 – Commitments and Contingencies

NARA has incurred various claims in the normal course of business. The aggregate potential loss to NARA on all outstanding claims, with a reasonable possibility of an unfavorable outcome is estimated not to exceed $ 1,090 thousand. Of these, certain settlements or awards on tort claims in amount of $790 thousand may be payable from the U.S. Treasury Judgment Fund in accordance with 31 USC 1304.

Note 13 - Funds from Dedicated Collections

Funds from dedicated collections 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 funds from dedicated collections; 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.

Financial Information for NATF and NAGF as of September 30, 2013 and 2012 consists of the following:

(in thousands) **2013**

	NATF	NAGF	Total Earmarked Funds
Balance Sheet as of September 30, 2013			
Assets			
Fund balance with Treasury	$ 617	$ 100	$ 717
Cash	68	-	68
Investments, net	30,808	27,540	58,348
Accounts receivable	452	-	452
Inventory	941	-	941
Property, plant & equipment	113	-	113
Total assets	32,999	27,640	60,639
Liabilities			
Accounts payable	1,172	132	1,304
Federal employee and veteran benefits	411	0	411
Other liabilities	1,606	-	1,606
Total liabilities	3,189	132	3,321
Net position			
Cumulative results of operations			
Conditional	-	23,180	23,180
Unconditional	29,810	4,328	34,138
Total net position	29,810	27,508	57,318
Total liabilities and net position	$ 32,999	$ 27,640	$ 60,639
Statement of Net Cost for the Period Ended September 30, 2013			
Gross Program Costs	14,882	3,598	18,480
Less Earned Revenues	21,296	-	21,296
Net Costs of Operations	$ (6,414)	$ 3,598	$ (2,816)
Statement of Changes in Net Position For the Period Ended September 30, 2013			
Net position, Beginning of fiscal year	22,924	20,762	43,686
Non-exchange revenue	1	625	626
Donations	-	11,135	11,135
Transfers-in/out without reimbursements	41	(541)	(500)
Other Budgetary Financing Sources	-	362	362
Imputed financing from costs absorbed by others	430	-	430
Other Financing Sources	-	(1,237)	(1,237)
Total financing sources	472	10,344	10,816
Net cost of operations	(6,414)	3,598	(2,816)
Change in Net Position	6,886	6,746	13,632
Net Position, End of fiscal year	$ 29,810	$ 27,508	$ 57,318

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

(in thousands)		2012	
	NATF	NAGF	Total Earmarked Funds
Balance Sheet as of September 30, 2012			
Assets			
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
Total assets	27,229	21,218	48,447
Liabilities			
Accounts payable	781	457	1,238
Federal employee and veteran benefits	376	-	376
Other liabilities	3,147	-	3,147
Total liabilities	4,304	457	4,761
Net position			
Cumulative results of operations			
Conditional	-	17,303	17,303
Unconditional	22,925	3,458	26,383
Total net position	22,925	20,761	43,686
Total liabilities and net position	$ 27,229	$ 21,218	$ 48,447
Statement of Net Cost for the Period Ended September 30, 2012			
Gross Program Costs	15,535	3,323	18,858
Less Earned Revenues	18,814	-	18,814
Net Costs of Operations	$ (3,279)	$ 3,323	$ 44
Statement of Changes in Net Position For the Period Ended September 30, 2012			
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
Imputed financing from costs absorbed by others	469	-	469
Other Financing Sources	-	748	748
Total financing sources	552	6,337	6,889
Net cost of operations	(3,279)	3,323	44
Change in Net Position	3,831	3,014	6,845
Net Position, End of fiscal year	$ 22,925	$ 20,761	$ 43,686

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

Note 14 – Intragovernmental Costs and Exchange Revenues by Program

(in thousands)

	2013	2012
Archives and Records Management Activities		
Intragovernmental gross costs	$ 64,539	$ 68,207
Public costs	349,885	369,505
Total Records and Archives-Related Services Costs	414,424	437,712
Intragovernmental earned revenue	68	114
Public earned revenue	-	498
Total Records and Archives-Related Services Earned Revenue	68	612
Trust and Gift Funds		
Intragovernmental gross costs	2,144	2,410
Public costs	11,396	11,441
Heritage asset renovation costs (Note 15)	3,171	2,757
Total Trust and Gift Funds Costs	16,711	16,608
Intragovernmental earned revenue	1,765	1,222
Public earned revenue	19,531	17,586
Total Trust and Gift Funds Earned Revenue	21,296	18,808
National Historical Publications and Records Commission Grants		
Intragovernmental gross costs	-	-
Public costs	7,911	9,686
Total National Historical Publications and Records Commission Grants Costs	7,911	9,686
Archives Facilities and Presidential Libraries Repairs and Restoration		
Intragovernmental gross costs	-	-
Public costs	418	567
Heritage asset renovation costs (Note 15)	22,380	19,125
Total Archives Facilities and Presidential Libraries Repairs and Restoration Costs	22,798	19,692
Revolving Fund Records Center Storage and Services		
Intragovernmental gross costs	81,403	83,587
Public costs	107,055	105,693
Total Revolving Fund Records Center Storage and Service Costs	188,458	189,280
Intragovernmental earned revenue	176,372	174,820
Public earned revenue	1,498	1,531
Total Revolving Fund Records Center Storage and Services Earned Revenue	$ 177,870	$ 176,351

Gross costs are classified on the basis of the sources of goods and services. Intragovernmental gross costs are expenses related to purchases from a Federal entity. Intragovernmental earned revenue represents exchange transactions between NARA and other Federal entities. Public costs are expenses related to purchases from a non-Federal entity, and the exchange revenue is classified as "public earned revenue" where the buyer of the goods or services is a non-Federal entity.

Note 15 – Cost of Stewardship PP&E

Stewardship assets consist of heritage assets as defined in Note 7. The Consolidated Statement of Net Cost includes the following costs to renovate heritage assets buildings and structures, as of September 30 *(in thousands)*:

	2013		2012	
Asset	*Appropriation*	*Gift*	*Appropriation*	*Gift*
National Archives Building	$ 6,492	$ 3,056	$ 4,854	$ 2,593
Libraries:				
Roosevelt	8,306	-	7,817	-
Hoover	371	-	78	-
Truman	898	-	297	-
Eisenhower	1,202	-	803	-
Kennedy	2,257	115	2,704	164
Johnson	72	-	3	-
Nixon	383	-	240	-
Ford	752	-	1,270	-
Carter	1,195	-	406	-
Reagan	384	-	353	-
Bush	68	-	42	-
Clinton	-	-	258	-
Total	$ 22,380	$ 3,171	$ 19,125	$ 2,757

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 and Executive Office, 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 – Cleanup Cost Adjustments

Beginning in FY 2013, FASAB Technical Bulletin 2006-1: *Recognition and Measurement of Asbestos-Related Cleanup Costs* requires all Federal entities to disclose the estimated clean up costs for the future removal of asbestos that does not pose an immediate health threat; known as nonfriable asbestos. NARA has identified seven facilities (all are stewardship assets) where the existence of nonfriable asbestos is probable. NARA developed a method to estimate the liability for future nonfriable asbestos cleanup costs by using the quantity of nonfriable asbestos, identified in previous asbestos surveys and other reports, and the current cost to contain, remove, and dispose it. Using this method, NARA recorded a liability and a prior period adjustment (resulting from the implementation of a new accounting standard) of $6.2 million on the statement of changes in net position.

Note 18 - 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	
	2013	2012	2013	2012	2013	2012	2013	2012
Direct	$361,586	$394,619	$ 48,324	$ 27,568	$ -	$ -	$409,910	$422,187
Reimbursable	1,554	1,703	176,645	188,691	15,880	15,647	194,079	206,041
Total	$363,140	$396,322	$224,969	$216,259	$15,880	$ 15,647	$603,989	$628,228

Note 19 – Explanation of Differences between the Statement of Budgetary Resources and the Budget of the United States Government

Statement of Federal Financial Accounting Standards No. 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting* calls for explanations of material differences between budgetary resources available, status of those resources and outlays as presented in the Statement of Budgetary Resources (SBR) to the related actual balances published in the *Budget of the United States Government* (President's Budget). However, the President's Budget that will include FY 2013 actual budgetary execution information has not yet been published. The *Budget of the United States Government* is scheduled for publication in January 2014. 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 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)	**2012**			
	Budgetary Resources	Obligations Incurred	Distributed Offsetting Receipts	Net Outlays
Statement of Budgetary Resources	$ 717	$ 628	$ 7	$ 397
Difference-Expired appropriations	18	1	-	-
Difference-Rounding	(1)	-	-	(1)
Budget of the U.S. Government	$ 700	$ 627	$ 7	$ 396

Note 20 – Undelivered Orders at the End of the Period

The amount of budgetary resources obligated for undelivered orders at September 30, 2013 and 2012 is $118,242 thousand and $122,647 thousand, respectively.

Note 21 – Reconciliation of Net Cost of Operations (proprietary) to Budget

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 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.

(in thousands)	**2013**	**2012**
Net obligations incurred	$ 346,968	$ 347,398
Nonbudgetary Resources	19,286	18,492
Total resources used to finance activities	366,254	365,890
Resources that do not fund net cost of operations	(2,652)	22,097
Cost that do not require resources in the current period	86,006	89,070
Financing sources yet to be provided	1,460	150
Net cost of operations	$ 451,068	$ 477,207

Note 22 –Adjustment to unobligated balance, brought forward, October 1

During preparation of the current period financial statements, NARA identified an error of $724 thousand on FY2012 Statement of Budgetary Resources. At the end of the FY 2012, a transaction error resulted in duplicate budgetary authority and unfilled customer order accounts. Due to immateriality of the amount, NARA chose to adjust beginning balance of the FY 2013 Statement of Budgetary Resources rather than restate FY2012.

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, and reformatting and conservation treatment. Through NARA-wide risk and condition assessment processes that 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 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 deferred costs to address deficiencies related to compliance of NARA owned facilities with these storage standards are included 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 that 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 2013, needed maintenance projects for sixteen locations, including thirteen Presidential Libraries, have been identified from current BCR reports, and are included in the deferred maintenance estimate.

Category	*Method*	*Acceptable Asset Condition*	*Estimated Deferred Maintenance*
Heritage assets – Buildings	CAS	Good	$36-37 million
Multi-use assets – Buildings	CAS	Good	$13-14 million

NARA categorizes facilities and equipment according to condition using terms such as those shown below:
- *Good.* Facilities/equipment condition meets established maintenance standards, operating efficiently and has a normal life expectancy. Scheduled maintenance should be sufficient to maintain the current condition. There is no critical deferred maintenance on building and equipment in good condition.
- *Fair.* Facilities/equipment condition meets minimum standards, but requires additional maintenance or repairs to prevent further deterioration, increase operating efficiency and to achieve normal life expectancy.

      o   *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 2013	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
Budgetary Resources							
Unobligated Balance brought forward, October 1:	$ 38,599	$ 2,221	$ 8,544	$ 719	$ 16,715	$ 22,013	$ 88,811
Adjustment to unobligated balance, brought forward, October 1	-	-	(724)	-	-	-	(724)
Unobligated balance brought forward, October 1, as adjusted	38,599	2,221	7,820	719	16,715	22,013	88,087
Recoveries of prior year unpaid obligations	5,029	66	722	567	1,059	3,206	10,649
Other changes in unobligated balance	(4,590)	-	-	-	-	-	(4,590)
Unobligated balance from prior year budget authority, net	39,038	2,287	8,542	1,286	17,774	25,219	94,146
Appropriations (discretionary and mandatory)	357,660	12,823	-	4,738	8,624	-	383,845
Spending authority from offsetting collections	2,123	-	17,805	-	-	197,084	217,012
Total Budgetary Resources	$ 398,821	$ 15,110	$ 26,347	$ 6,024	$ 26,398	$ 222,303	$ 695,003
Status of Budgetary Resources							
Obligations Incurred	$ 378,458	$ 12,974	$ 15,880	$ 5,500	$ 14,532	$ 176,645	$ 603,989
Unobligated balance, end of year:							
Apportioned	2,682	2,136	-	476	11,866	39,357	56,517
Exempt from apportionment	-	-	10,467	-	-	-	10,467
Unapportioned	17,681	-	-	48	-	6,301	24,030
Total unobligated balance, end of year	20,363	2,136	10,467	524	11,866	45,658	91,014
Total Budgetary Resources	$ 398,821	$ 15,110	$ 26,347	$ 6,024	$ 26,398	$ 222,303	$ 695,003
Change in Obligated Balance							
Obligated balance, start of year (net)	$ 113,429	$ 3,229	$ 1,245	$ 12,666	$ 22,533	$ (9,737)	$ 143,365
Adjustments to uncollected payments from Federal sources, start of year	-	-	724	-	-	-	724
Obligations incurred	378,457	12,975	15,880	5,501	14,532	176,644	603,989
Less: Gross outlays	(374,484)	(15,411)	(14,439)	(7,790)	(25,190)	(172,505)	(609,819)
Less: Recoveries of prior year unpaid obligations, actual	(5,029)	(66)	(722)	(568)	(1,059)	(3,205)	(10,649)
Change in uncollected customer payments from Federal sources	(21)	-	(28)	-	-	(13,940)	(13,989)
Obligated balance, net, end of period	$ 112,352	$ 727	$ 2,660	$ 9,809	$ 10,816	$ (22,743)	$ 113,621
Budget Authority and Outlays, Net:							
Budget authority, gross (discretionary and mandatory)	$ 359,783	$ 12,823	$ 17,805	$ 4,738	$ 8,624	$ 197,084	$ 600,857
Actual offsetting collections (discretionary and mandatory) (-)	(18,624)	-	(17,776)	-	-	(183,144)	(219,544)
Change in uncollected customer payments from Federal Sources (discretionary and mandatory) (+ or -)	(21)	-	(28)	-	-	(13,940)	(13,989)
Budget Authority, net (discretionary and mandatory)	$ 341,138	$ 12,823	$ 1	$ 4,738	$ 8,624	$ -	$ 367,324
Outlays, gross (discretionary and mandatory)	$ 374,484	$ 15,411	$ 14,439	$ 7,790	$ 25,190	$ 172,505	$ 609,819
Less: Actual offsetting collections (discretionary and mandatory) (-)	(18,624)	-	(17,776)	-	-	(183,144)	(219,544)
Less: Distributed Offsetting receipts	(17)	(12,821)	-	-	-	-	(12,838)
Agency Outlays, net (discretionary and mandatory)	$ 355,843	$ 2,590	$ (3,337)	$ 7,790	$ 25,190	$ (10,639)	$ 377,437

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
<u>Budgetary Resources</u>							
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	2,333	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
Total Budgetary Resources	$423,798	$ 9,280	$ 24,191	$ 6,148	$ 42,918	$ 210,704	$ 717,039
<u>Status of Budgetary Resources</u>							
Obligations Incurred	$ 385,199	$ 7,059	$ 15,647	$ 5,429	$ 26,203	$ 188,691	$ 628,228
Unobligated balance, end of year:							
Apportioned	21,148	2,168	-	719	16,715	16,062	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
Total Budgetary Resources	$ 423,798	$ 9,280	$ 24,191	$ 6,148	$ 42,918	$ 210,704	$ 717,039
<u>Change in Obligated Balance</u>							
Obligated balance, start of year (net)	$ 133,759	$ 537	$ 816	$ 17,411	$ 17,557	$ 15,913	$ 185,993
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)	(617,871)
Less: Recoveries of prior year unpaid obligations, actual	(30,466)	(28)	(524)	(413)	(165)	(2,334)	(33,930)
Change in uncollected customer payments from Federal sources	(13)	-	1,125	-	-	(20,167)	(19,055)
Obligated balance, net, end of period	$ 113,429	$ 3,229	$ 1,245	$ 12,666	$ 22,533	$ (9,737)	$ 143,365
<u>Budget Authority and Outlays, Net:</u>							
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	-	-	(20,168)	(19,056)
Budget Authority, net (discretionary and mandatory)	$ 362,199	$ 6,734	$ -	$ 5,000	$ 9,100	$ -	$ 383,033
Outlays, gross (discretionary and mandatory)	$ 375,049	$ 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)
Agency Outlays, net (discretionary and mandatory)	$ 357,067	$(2,392)	$ (2,938)	$ 9,761	$ 21,062	$ 7,466	$ 390,026

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).

Auditor's Reports (FY 2013)

Inspector General's Summary

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
ANNUAL FINANCIAL STATEMENT AUDIT
FISCAL YEAR 2013

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, 2013 and 2012. We contracted with the independent certified public accounting firm of Cotton & Company, LLP (C&C) to perform the fiscal years 2013 and 2012 audits. The audits were conducted 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 opinion on NARA's financial statements, C&C's report states that the financial statements present fairly, in all material respects, the financial position of NARA as of September 30, 2013 and 2012, and its net cost, changes in net position, and budgetary resources for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

C&C reported no material weaknesses[1] or significant deficiencies[2] in internal control over financial reporting. C&C disclosed no instances of noncompliance with certain provisions of laws and regulations, as required by OMB guidance, that could have a direct and material effect on the determination of financial statement amounts.

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 December 16, 2013, 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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[1] 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.
[2] 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 2013)

Cotton & Company

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INDEPENDENT AUDITOR'S REPORT

The Inspector General
National Archives and Records Administration

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying consolidated balance sheets of the National Archives and Records Administration (NARA) as of September 30, 2013 and 2012, and the related consolidated statements of net cost, consolidated statements of changes in net position, and combined statements of budgetary resources for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these 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) Bulletin No. 14-02, *Audit Requirements for Federal Financial Statements*. Those standards and OMB Bulletin No. 14-02 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of NARA as of September 30, 2013 and 2012, and its consolidated net cost, consolidated changes in net position, and combined budgetary resources for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America and OMB Circular A-136, *Financial Reporting Requirements,* require that the Management's Discussion and Analysis on pages 2 to 36 and other Required Supplementary Information on pages 123 to 126 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Federal Accounting Standards Advisory Board and OMB, who consider it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, and historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America. These procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards,* we also have issued our report dated December 16, 2013 on our consideration of NARA's internal control over financial reporting and over compliance, and on our tests of NARA's compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is to describe the scope and results of our testing of internal control over financial reporting and compliance and the results of our testing of NARA's compliance with certain provisions of laws, regulations, contracts, and grant agreements, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering NARA's internal control and compliance.

COTTON & COMPANY LLP

Alan Rosenthal, CPA, CFE
Partner
Alexandria, VA
December 16, 2013

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Cotton&
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL AND ON COMPLIANCE

The Inspector General
National Archives and Records Administration

We have audited the consolidated and combined financial statements of the National Archives and Records Administration (NARA) as of September 30, 2013 and 2012, and have issued our report thereon dated December 16, 2013. That report contained our unmodified opinion, on the financial statements. 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) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*, as amended.

INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE

In planning and performing our audit of the financial statements, we considered NARA's internal control over financial reporting and compliance (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of NARA's internal control. Accordingly, we do not express an opinion on the effectiveness of NARA's internal control.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Limitations of Internal Control
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.

COMPLIANCE

As part of obtaining reasonable assurance about whether NARA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of

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financial statement amounts. Providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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 OMB audit guidance requires that we test that we deemed applicable to the financial statements for the fiscal year ended September 30, 2013. We caution that noncompliance may have occurred and may not have been detected by these tests, and that such testing may not be sufficient for other purposes. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or OMB audit guidance.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

COTTON & COMPANY LLP

Alan Rosenthal, CPA, CFE
Partner
Alexandria, VA
December 16, 2013

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Management Response to Auditor's Report (FY 2013)

NATIONAL
ARCHIVES

ARCHIVIST *of the*
UNITED STATES

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Date: December 16, 2013

To: James Springs, Acting Inspector General

From: David S. Ferriero, Archivist of the United States

Subject: Management Response to the FY 2013 Financial Statement Audit

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

I am pleased to have received an unqualified audit opinion on NARA's FY 2013 financial statements. An unqualified opinion recognizes NARA's commitment to producing accurate and reliable financial statements, and supports our efforts to continuously improve our financial management program.

I would like to thank the Office of Inspector General and Cotton & Company, LLP for working in a professional and dedicated manner with NARA staff.

DAVID S. FERRIERO
Archivist of the United States

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S<small>ECTION</small> 4
OTHER ACCOMPANYING INFORMATION

INSPECTOR GENERAL'S ASSESSMENT OF MANAGEMENT CHALLENGES FACING NARA

Under the authority of the Inspector General Act, the NARA OIG conducts and supervises independent audits, investigations, and other reviews to promote economy, efficiency, and effectiveness; and to prevent and detect fraud, waste, and mismanagement. To fulfill our mission and help NARA achieve its strategic goals, we have aligned our programs to focus on areas we believe represent the agency's most significant challenges. We have identified those areas as NARA's top ten management challenges.

1.   Electronic Records Archives

NARA initiated the Electronic Records Archive (ERA) program 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, cost overruns, and technical short comings and deficiencies identified by our office and the Government Accountability Office (GAO). In August 2010, the Office of Management and Budget (OMB) placed ERA on its high-priority list of 26 high-risk IT projects. 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 also includes replacing and updating the technologies comprising ERA, and correcting and adapting ERA functionality as necessary to meet stakeholder needs. These additional tasks will be performed under Technical Direction Letters (TDL), 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 is 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. Further complicating this task, the Archivist testified to Congress that due to funding issues NARA will not be able to address concerns raised by ERA users and the OIG.

Audits, investigations, and reviews performed in FY 2013:
- Status on the Upgrade to the Electronic Records Archives Executive Office of the President System
- Audit of the Electronic Records Archives System's Ability to Preserve Records
- Status Update of the Electronic Records Archives Executive Office of the President System Upgrade
- Audit of ERA's Ability to Ingest Records
- Audit Memo –NARA's Handling of Paper-Based Disclosure of Personally Identifiable Information (PII)

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.

In November 2011, a Presidential Memorandum titled *Managing Government Records* was issued. This began a new Executive Branch-wide effort to reform records management policies and practices. In August 2012, the Office of Management and Budget (OMB) issued Memorandum 12-18, *Managing Government Records Directive*, creating a robust records management framework. This Directive requires agencies, to the fullest extent possible, to 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 to be taken by NARA, OMB, and the Office of Personnel Management (OPM) to support agency records management programs. Agencies must manage all permanent electronic records in an electronic format by December 31, 2019, and must manage both permanent and temporary email records in an accessible electronic format by December 31, 2016. NARA, its Government partners, and Federal agencies are challenged with meeting these deadlines, determining how best to manage electronic records in accordance with this guidance, and how to make ERM and e-Government work more effectively.

Audits, investigations, and reviews performed in FY 2013:
- Audit of the Electronic Records Archives System's Ability to Preserve Records
- Audit of ERA's Ability to Ingest Records
- Management Letter – The Management Control Environment Over Archival Operations at the National Archives at San Bruno, CA, Needs to be Urgently Addressed

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 through FY 2011. 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 2011 GAO report identified significant weaknesses in access controls and other information security controls. In FY 2012, an assessment performed by contractors identified multiple deficiencies with NARA's 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 NARA's network. 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 2013:*
> - Audit of NARA's Data Backup Operations
> - Audit of NARA's Intrusion Detection and Prevention System and Incident Response

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 35 percent 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 2013:
- Management Letter – The Management Control Environment over Archival Operations at the National Archives at San Bruno, CA Needs to be Urgently Addressed
- Audit of NARA's Processing of Textual Records
- Investigation: Facilitated the return of 6,466 documents to repositories across the country.
- The Archival Recovery Team (ART) recovered a Federal record authored by Major General George Custer that had been listed on the Missing Documents list.
- ART assisted NARA in recovering 18,163 photographs documenting implementation of the Marshall Plan in France.
- The Office of Investigations visited four NARA facilities to assess the researcher registration procedures used. The OIG issued a report detailing the conditions discovered, and proposing suggestions to improve the program.

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 2013:
- NARA Archival Facilities

6. **Preservation Needs of Records**

NARA holdings grow older daily and face degradation associated with time. This affects both traditional paper records and the physical media upon which electronic records and audio/visual records are stored. Per management, preservation resources have not been able to adequately address the growth in holdings needing preservation action. 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. Further, NARA's primary tool for preserving electronic records, the ERA system, has not delivered the functionality necessary to address record format obsolescence (see OIG Challenge #1). 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 2013:
- Audit of the Electronic Records Archives System's Ability to Preserve Records
- Audit of NARA's Preservation Program

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 for the agency. 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 2013:
- NARA Archival Facilities
- Management Letter – The Management Control Environment over Archival Operations at the National Archives at San Bruno, CA Needs to be Urgently Addressed

- The Office of Investigations visited a Presidential Library to assess their archival security in the wake of a theft from the facility. Several issues were discovered and reported to NARA management.
- The Department of Justice (DoJ) filed informations on two former NARA employees for destruction of federal property

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.

10. Management of Internal Controls

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. GAO has reported NARA has not established an enterprise risk management capability, thus reducing its ability to anticipate future challenges and avoid potential crises. Currently, the agency has not established an effective internal control program, and OIG audit recommendations from as far back as FY 2009 concerning an internal control program have yet to be implemented. Thus, NARA 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. NARA's challenge is to ensure the agency is in compliance with OMB Circular A-123; and to develop and fully implement an internal control program.

> *Audits, investigations, and reviews performed in FY 2013:*
> - Audit of NARA's Internal Control Program
> - Management Letter – The Management Control Environment Over Archival Operations at the National Archives at San Bruno, CA, Needs to be Urgently Addressed

FEDERAL MANAGERS' FINANCIAL INTEGRITY ACT REPORT

NATIONAL
ARCHIVES

FY 2013 STATEMENT OF ASSURANCE

Managers of the National Archives and Records Administration (NARA) are responsible for establishing and maintaining effective internal controls and financial management systems that meet the objectives of the Federal Managers' Financial Integrity Act (FMFIA). I am able to provide a qualified statement of assurance that, with the exception of three material weaknesses, NARA's internal controls are achieving their intended objectives:

(1) programs achieve their intended results;

(2) resources are used consistent with NARA's mission;

(3) programs and resources are protected from waste, fraud, and mismanagement;

(4) laws and regulations are followed; and

(5) reliable and timely information is obtained, maintained, reported, and used for decision making.

This assessment is based on results of audits and evaluations conducted by the Government Accountability Office (GAO), NARA's Office of Inspector General (OIG), internal control evaluations, and other evaluations conducted in NARA offices. This year's statement is also informed by the results obtained from the introduction of a more robust, comprehensive and systematic internal control program that became operational for the FY 2013 assurance statement period. I have also considered the advice of key management officials and 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, 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 2013 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 that 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	0	0	0	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	0	0	0	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	1	0	0
Presidential Libraries Artifact Inventory Controls	1	0	0	0	1
Preservation of Archival Records	1	0	0	0	1
Total Material Weaknesses	4	0	1	0	3

Holdings Protection

At the time it was identified as a weakness, management determined that 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 that time, numerous actions have been taken and a holdings protection team, consisting of nine staff, has been stood up.

Once initial actions were completed, this area was reassessed and additional actions were developed around the five phases of an internal control life cycle. All of the actions committed to in the action plan have been completed over the last several years. The focus now is on ensuring the controls put in place are adequately monitored and tested, and using the results of this monitoring and testing to adjust our approach to holdings security as necessary; and using a risk based approach to implement holdings protection measures at facilities outside the DC Metro area to make the greatest use of scarce resources.

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. Since that time, great strides have been made in addressing weaknesses, and in FY 2013 NARA completed inventories for all presidential libraries and developed re-inventorying guidance. As the result of management's analysis of a FY 2013 follow up audit, management decided to add an action area to the plan for FY 2014.

In FY 2014 we will focus on two areas that we believe will allow us to downgrade or remove this as a Material Weakness: (1) complete implementation of the new collections management database and procedures for using its audit capability and (2) implement policy and procedures concerning how we manage anomalies discovered during the course of inventory.

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 and further challenges are presented with the proliferation of record formats, to include electronic records. 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.

We have effective programs for treating 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 our holdings that are in imminent danger.

In FY 2013 we began a fundamental reassessment of this area, taking into consideration a recently issued OIG follow up audit of preservation. We anticipate developing a FMFIA action plan in FY 2014, overlapping the audit report action plan where feasible, developing a realistic definition of success in this area, and then monitoring progress against the action plan until the weakness has been sufficiently managed.