



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

2010 Performance and Accountability Report

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION



## 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 2010. This report is one of the many ways we demonstrate our commitment to Open Government—by sharing the results of our progress towards the goals in our Strategic Plan and informing you of how we used the resources we were given during fiscal year 2010. My agency's role in our democracy is clear and simple: We are the nation's record keeper. We safeguard and preserve the records of our national government so our citizens can use them and learn from them many years from now. 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, and increasingly many of our holdings are available online.

The thinking behind the President's Open Government directive is the essence of the work we do every day. It is rooted in the belief that citizens have the right to see, examine, and learn from the records of their government. That principle is already embedded in our agency's mission statement. FY 2010 has been a banner year in NARA's progress toward a more open government and you will find more information about our efforts throughout this report. These efforts include the following:

- Working with the agencies that created these records and other agencies whose classified information is included in them, we are processing, on an expedited basis, a backlog of about 400 million pages of records that have been classified for years.
- To support this declassification work, we established a National Declassification Center within NARA, "releasing all we can, protecting what we must."
- We expanded our use of Web 2.0 and social media to engage with our customers in new ways, through new *Twitter* sites, *You Tube*, wikis, *Facebook*, *Flickr*, and blogs.
- We established the Office of Government Information Services (OGIS), which will monitor activity government-wide under the Freedom of Information Act, to improve the FOIA process and resolve disputes between Federal agencies and requesters.
- We have leveraged the knowledge and expertise of some of our researchers as "Citizen Archivists," recognizing the contributions they can make to our description and understanding of the records in our holdings.
- We continue to make significant progress on our Electronic Records Archives (ERA), opening it to more Federal agency users.

We have also made strides in ensuring that our resources are well managed with the proper oversight. I am able to provide a qualified statement of assurance that, with the exception of five material weaknesses—holdings protection, information security, inventory control over artifacts in the Presidential Libraries, archival records preservation, and traditional records processing. NARA's internal controls are achieving their intended objectives, as defined by the OMB Circular A-123. This assessment is based on results of audits and evaluations conducted by the Government Accountability

Office (GAO), NARA's Office of Inspector General (OIG), management control evaluations, and other written evaluations conducted in the 13 NARA offices and staff organizations. It is also based on senior management's knowledge of the daily operations of NARA programs and systems. Finally, I have also relied upon the advice of 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 2010, are found in our Federal Managers' Financial Integrity Act (FMFIA) report in the appendix.

As we look ahead to the challenges and opportunities we face in FY 2011, we must pause for a moment to acknowledge the role NARA plays in our nation's democracy — a role built on ensuring that the citizens of our country are free to inspect, use, and learn from the records of the Government. Since 1934, thousands of NARA staff members in Washington, DC, and in Presidential Libraries, regional archives, and records centers across the country have worked to keep the holdings that document our history, our rights, and our entitlements safe and accessible for future generations.

A handwritten signature in dark ink, appearing to read "David S. Ferriero". The signature is fluid and cursive, with a long horizontal stroke at the end.

David S. Ferriero  
Archivist of the United States

November 15, 2010

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*Historian Ken Burns (left) and exhibit curator Bruce Bustard answer questions from reporters about “Discovering the Civil War” exhibit. (Photo by Earl McDonald)*

## 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, 2009, through September 30, 2010.

### ***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 2010. 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 2010. This section covers our targets, how and why we met or did not meet them, and explanations of how we assess our performance and ensure the reliability of our data. Also included is information on evaluations and Federal agency compliance with Federal records management policy. 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 2010 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.



*Supreme Court Justice Stephen Breyer administers the oath of office to Archivist David S. Ferriero on January 13, 2010. (Photo by Earl McDonald)*

## Our Vision

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

## Our Mission

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

## Our Strategic Goals

NARA's strategic goals are set forth in our 10-year Strategic Plan, updated in September 2009, and covering the period FY 2010 through FY 2016. This plan acknowledges recent achievements, assesses new challenges facing us, and commits us to measure our value to the taxpayer by setting aggressive outcome-oriented performance targets.

Our six strategic goals are:

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

**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 adding online services and fully embracing open government through a wide range of initiatives. The organizational chart in figure 1 provides an overview of NARA’s structure.

**Personnel on Board\***

All funds as of September 30, 2010	Washington, DC, Area			Field Locations			Nationwide Total		
	Full– Time Perm	Other	Total	Full– Time Perm	Other	Total	Full– Time Perm	Other	Total
Records Services	782	222	1,004	8	3	11	790	225	1,015
Regional Records Services	186	24	210	1,065	569	1,634	1,251	593	1,844
Presidential Libraries	74	14	88	365	99	464	439	113	552
Information Security Oversight Off	35	0	35	0	0	0	35	0	35
Office of Gov’t Information Services	8	1	9	0	0	0	8	1	9
Federal Register	64	0	64	1	0	1	65	0	65
Nat’l Hist Publ & Records Comm	11	1	12	0	0	0	11	1	12
Electronic Records Archives	46	5	51	1	0	1	47	5	52
Office of Inspector General	23	0	23	0	0	0	23	0	23
<b>Total</b>	<b>1,229</b>	<b>267</b>	<b>1,496</b>	<b>1,440</b>	<b>671</b>	<b>2,111</b>	<b>2,669</b>	<b>938</b>	<b>3,607</b>

\* Admin Staff distributed across Program Offices

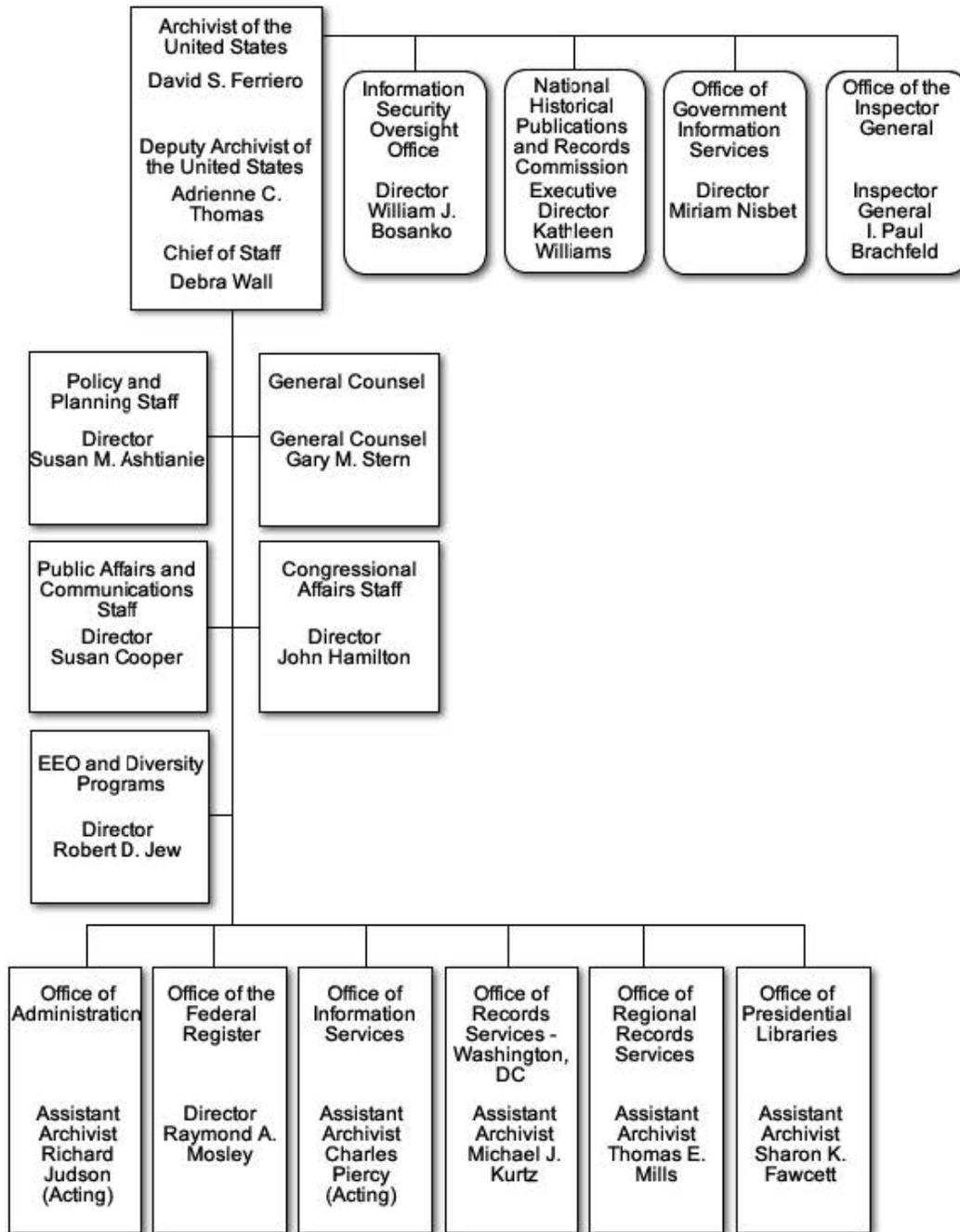


Figure 1. NARA's Organizational Structure (as of 9/30/10)

## An Overview of the Challenges Facing NARA

The citizens of the United States depend on NARA to protect and preserve records that document the rights of citizens and the work of Government. We hold in trust the records that confer citizenship and benefits, attest to court proceedings, and document service to our nation. NARA's customers represent a diverse group of people from various backgrounds, cultures, and disciplines. From genealogists to filmmakers, historians to patent holders, our customers, who use our resources for personal or professional reasons, rely and trust that the records we maintain are authentic, available, and accessible.

We value and support the principles of open government outlined in our commitment in *NARA's Open Government Plan*. These principles, which support a culture of openness, are embedded in NARA's mission. In the past year, we have worked with the public to create a more transparent, participative, and collaborative environment. We increasingly seek opportunities to communicate more efficiently and effectively with the public to help us more effectively deliver records they need. Government agencies also depend on NARA's records management assistance and guidance to help them more effectively carry out their missions and to ensure that permanently valuable agency records are identified and transferred to NARA's legal custody and protection.



*Archives Specialist Jessica Edgar helps Girl Scouts in Kansas City find Juliette Gordon Low in census records.*

As the volume of the Government's records continues to grow and the electronic formats in which records are created continue to proliferate, NARA is encountering new challenges in achieving our core goals. Below we have identified our most pressing challenges:

- We must enhance the Electronic Records Archives (ERA) system so that we can preserve valuable electronic records; ensure their integrity and authenticity; and allow the public to efficiently and effectively access electronic records. We must work closely with agencies as they expand their use of ERA.
- We must protect our holdings, balancing the need for access to the holdings with the need to secure them. This is a continuing challenge as we consider how to best secure information in an ever-changing variety of media, protect the integrity of their contents, and ensure that any restrictions on use are properly honored so that the records may be used promptly and easily now and in the future.
- Like all Federal agencies, we face new and evolving concerns about security, continuity of operations, and emergency preparedness. Continuity of Federal operations depends on the records of Government. Protecting, recovering, and making these records available requires development and implementation of new, more flexible solutions.

- We must lead the National Declassification Center and work with other equity agencies to streamline the review and declassification of records more than 25 years old under Executive Order 13526 and ensure that declassified records are released to the public as soon as possible. We must meet the 2013 deadline to address referrals and quality assurance problems to permit public access to the more than 400 million pages of archival holdings previously subject to automatic declassification.
- We must identify and address the deficiencies that compromise effective records management across the Federal Government. Because our mission includes ensuring access to records for Government officials and the American public, the new technological environment in which NARA operates places us squarely at the center of intergovernmental electronic records challenges. We face new kinds of records management issues raised by this continued growth and dependence on an electronic Government. To fulfill our leadership role in the electronic records environment, NARA is transforming from an agency focused on the management of paper to one focused on the management of information in a variety of electronic formats.
- We must tackle the storage and space issues that challenge us in housing and preserving historically valuable records transferred to our custody. The preservation challenges that are a fact of life in an archival institution also are growing more complex, so we face new facility and technological challenges in preserving paper, electronic, special media, and artifacts. While we search for solutions to complex challenges, we must also serve the daily needs of the Federal Government and the public. NARA plays a unique role in the safe, secure operation of our government and in preserving our democratic ideals. We cannot slow or stop our daily work to wait for longer term solutions.

In April, Bob Tissing, an archivist at the Lyndon B. Johnson Library, gave a talk and behind-the-scenes tour to 30 members of the Governing Council of the American Bar Association Health Law Section. During the tour, attorney Shelley Hubner, said that she had written to President Johnson as a child. Within minutes, Tissing retrieved her letter from the files, along with a copy of the reply from Johnson's personal secretary, Juanita Roberts. Hubner was stunned and "absolutely touched to tears" to see the letter she had written more than forty years earlier as a sixth grader in San Francisco. Hubner called the experience "an opportunity to be reunited with that part of my childhood, which was such a unique period for me and, I think, all Americans."



*Shelley Hubner (center) receives a copy of a letter she sent to President Johnson nearly 50 years ago from archivist Bob Tissing (left). (Photo courtesy Shelley Hubner)*

- Daily publication of the *Federal Register* is critical because many of the actions that Executive departments and the President need to take (especially during an emergency situation) require the legal authority that comes from publication of this document.
- We protect the essential records of hundreds of Federal agencies and courts as well as the records of the Congress, the Supreme Court, and 13 Presidential administrations. All Federal records, from highly classified documents to individual tax returns, are saved for as long as needed because the information they contain is essential to the effective operations of our government – to protect the rights and entitlements of our citizens, to understand past decisions and inform future policy choices, to hold appropriate officials accountable for their actions, and to ensure the safety and security of our country.
- We responded to more than 1.4 million requests last year for Official Military Personnel Files (OMPF). Many of these requests came from veterans, their families, or organizations working on behalf of veterans to verify their military service, apply for benefits, or research medical conditions. A veteran's ability to obtain a job, housing, or medical care often depends on our ability to meet information needs quickly.

As soon as Associate Supreme Court Justice John Paul Stevens announced his retirement in April, NARA staff at the Clinton Library went to work, pulling all records created or received by Elena Kagan during her four-year tenure in the Clinton White House. Because Kagan's name as a potential Supreme Court nominee had already come up a year before when Associate Justice Sonia Sotomayor was nominated, staff thought there was a good possibility she would be nominated to fill the next vacancy on the court. Senior archivists reviewed approximately 170,000 pages of documents, including 80,000 pages of printed emails, for Presidential Records Act and Freedom of Information Act restrictions. Kagan's records were made available to the public starting on May 10, the day President Obama announced her nomination, and ending on June 19.

In a handwritten note to Archivist of the United States David Ferriero, Kagan said, "Thanks so much for all the work you and your staff did to produce my White House documents so well and quickly. It was an extraordinary accomplishment – who knew I could have touched so many pieces of paper? The time and resources your office devoted to the project made it possible for me to get an early hearing date."



Chief Justice John G. Roberts, Jr., administers the Constitutional Oath to Elena Kagan on August 2, 2010. (Photo by Steve Petteway, Collection of the Supreme Court of the United States.)

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 the themes identified by NARA management.



*The research room at the Eisenhower Library set a new record for number of researcher visits.*

## Performance Highlights

### Using the National Archives and Records Administration in FY 2010

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 2010.

	Researchers Microfilm	Researchers Other Records***	Written Requests	Public Program Attendees	Exhibit/ Museum Visitors	Online Visits
Washington, DC, Area	17,681	60,621	29,670	48,323	1,058,671	—
Federal Register	—	—	271	70	—	**** —
<b>Office of Regional Records Services</b>						
Northeast Region (Boston)	1,726	3,936	3,347	2,428	3,387	—
Northeast Region (Pittsfield)	570	1,950	825	3,710	106	—
Northeast Region (New York)	758	3,435	4,556	2,986	0	—
Mid Atlantic Region (Philadelphia)	2,678	4,168	1,622	3,238	0	—
Southeast Region (Atlanta)	329	3,589	1,970	7,623	5,449	—
Great Lakes Region (Chicago)	862	1,925	4,121	1,758	1,670	—
Central Plains Region (Kansas City)	130	2,087	2,608	14,536	19,814	—
Southwest Region (Fort Worth)	415	2,059	3,337	15,880	0	—
Rocky Mountain Region (Denver)	222	3,245	387	2,767	0	—
Pacific Region (Riverside)	683	1,915	3,373	2,471	0	—
Pacific Region (San Bruno)	1,280	3,217	3,064	4,525	487	—
Pacific Alaska Region (Anchorage)	202	648	303	1,541	111	—
Pacific Alaska Region (Seattle)	746	2,881	1,346	2,850	254	—
National Personnel Records Center	922	1,432	1,420,939	699	900	—
<b>Regional Records Services Total</b>	<b>11,550</b>	<b>36,487</b>	<b>1,451,798</b>	<b>67,012</b>	<b>32,178</b>	<b>—</b>
<b>Presidential Libraries</b>						
Hoover	—	481	1,325	29,841	49,240	406,234
Roosevelt	—	1,353	2,044	24,476	99,225	**279,839
Truman	—	718	2,341	32,842	72,233	2,633,836
Eisenhower	—	1,166	3,019	27,009	149,481	1,069,263
Kennedy	—	1,501	2,183	63,957	218,330	4,055,162
Johnson	—	1,649	3,156	19,278	274,735	2,899,359
Nixon	—	339	750	14,790	95,500	1,300,746
Ford	—	784	1,384	62,231	132,716	1,368,775
Carter	—	705	859	10,914	52,368	1,724,832
Reagan	—	914	405	21,000	302,105	1,771,494
Bush 41	—	690	1,150	59,950	112,266	236,269
Clinton	—	95	1,459	163,963	200,646	566,164
Bush 43	—	0	746	0	0	820,186
Other*	—	—	77	—	—	7,218
<b>Presidential Libraries Total</b>	<b>—</b>	<b>10,395</b>	<b>20,898</b>	<b>530,251</b>	<b>1,758,845</b>	<b>19,139,377</b>
<i>Archives.gov</i>	—	—	—	—	—	18,704,747
<i>Our Documents.gov</i>	—	—	—	—	—	1,192,183
<b>TOTAL</b>	<b>29,231</b>	<b>107,503</b>	<b>1,502,637</b>	<b>645,656</b>	<b>2,849,694</b>	<b>39,036,307</b>

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

\*\* Online Visits for Roosevelt Presidential Library does not include visits to the online digital archives segment of their website.

\*\*\* Researchers Other Records includes research done using public access PCs in research rooms.

\*\*\*\*The public retrieved 318,004,054 online Federal Register documents. These are not included in Online Visits totals because measurement methodology differs.

**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 2010 performance. Highlights of some of this year’s major accomplishments under each strategic goal follow the chart. We plan to publish additional information about 2011 and 2012 follow-on activities on our website with the submission of NARA’s FY 2012 Performance Budget.

**Snapshot of 2010 Performance**

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

*Results: We met 1 out of 2 performance measures (1.2 and 1.4 not measured this year)*

<i>Goal 1: As the nation's record keeper, we will ensure the continuity and effective operations of Federal programs by expanding our leadership and services in managing the Government's records.</i>						
1.1: By 2016, 50 percent of agencies achieve passing scores for compliance with Federal records management policy. 1.2: By 2016, 90 percent of customers are highly satisfied with NARA records management services. 1.3: By 2016, records management transactions serviced by the Federal Records Center 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	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Target	2010 Actual
Percent of agencies achieving a passing score for compliance with Federal records management policy	–	–	–	22	–	TBD
Percent of Federal agency customers that are highly satisfied with NARA records management services	78	81	–	81	–	–
Percentage point growth in records management transactions in the Federal Records Centers	–	–	–	–	1	2.5
High Priority Measure: Percent of requests for military personnel records answered in 10 working days or less (target 85 percent by 2012)	61	59	72	70	–	73

We continued our work in response to the FY 2008 GAO audit on Federal Records Management of E-Mail (GAO-08-742) where GAO recommended NARA carry out more oversight activities. Because we had developed a body of electronic records management policy and guidance that could effectively support our statutory responsibilities around compliance, NARA developed a program for annual agency self-assessments, targeted inspections by NARA staff, and reporting standards for making public our findings.

The self-assessment, conducted in FY 2009, was issued to more than 240 cabinet-level Federal agencies and their components, and independent agencies. We achieved a 91 percent agency participation rate and reported the results of Federal agency compliance in meeting existing records management regulations and requirements. The self-assessment covered five areas: Program Management, Records Disposition, Vital Records, Electronic Records, and E-Mail Records. Survey results indicated that 79

percent of Federal agencies have moderate to high levels of risk with their records management programs. The final report *Records Management Self-Assessment 2009: An Assessment of Records Management Programs in the Federal Government* can be found at <http://www.archives.gov/records-mgmt/resources/self-assessment.pdf>. We will use these results to identify key areas to target for inspection.

We conducted the FY 2010 self-assessment with 271 agencies, 93 percent of which responded. We will publish the results of this self-assessment in FY 2011.

As part of our oversight responsibilities, we inspected several projects at the Office of the Secretary of Defense (OSD). We inspected OSD's project to scan files of high level officials and other permanent records; OSD's use of an e-vault approach to preserve e-mail; and the implementation of procedures to prevent the inadvertent disposal of permanent records. We also worked with the National Geospatial-Intelligence Agency (NGA) component responsible for the preparation of mapping products.

Section 207(e) of the E-Government Act of 2002 imposed a statutory requirement for all Executive agencies to schedule their electronic information systems in existence since December 17, 2005, by September 30, 2009. Based on 240 Federal agencies, we assessed that 25 percent were in the moderate to high risk category for failing to schedule more than 90 percent of their electronic records. Forty-two percent of Federal agencies were rated low risk and 33 percent did not respond to NARA's request for information. As we move forward, we will continue to advocate for the scheduling and transfer to NARA of electronic records and look for ways to partner and work with agencies to increase compliance with scheduling the growing volume of electronic records within the Federal Government.

We continued with enhancements to the Archives and Records Center Information System (ARCIS), NARA's online portal through which agencies conduct business with our Federal Records Centers. We developed functionality of the customer portal with the addition of records transfer capability, user administration, and agency controlled user

Sometimes researchers or "Citizen Archivists" find treasures in National Archives' holdings that we don't even know exist. Jonathan Webb Deiss, a researcher at the National Archives Building in Washington, DC, recently found a previously undiscovered Revolutionary War diary in the records of the Senate.

The diary was written by Samuel Leavitt, a soldier from Stratham, New Hampshire, who served in the Continental Line from July to October 1780. The journal is an important historical find because it details a common soldier's experience on his march to West Point, his tour of duty, and his march back to New Hampshire after his 3-month enlistment was finished. On page 17 of the diary, Leavitt describes seeing General George Washington at West Point and hearing about the attempted betrayal of West Point by General Benedict Arnold.



*Jonathan Webb Deiss (Photo by Meredith Stewart)*

access. With the deployment of ARCIS throughout the regions, our customers are able to submit electronic reference requests. Future system enhancements include features such as support for local billing arrangements and the capability for customers to electronically submit their transfer requests.

Timely responses to requests from our customers are important to NARA. Our National Personnel Records Center (NPRC) responds to more than one million written requests each year from former members of the military services, various Federal, state, and local government agencies, historians, genealogists, researchers and other requesters. Improved response time for requests for military personnel records is an agency high priority goal for NARA. Despite best efforts, we failed to achieve our target of 85 percent of military personnel records responded to within 10 working days. While steadily improving over prior years, we only responded to 73 percent within 10 working days. Currently, increased response times result from a seven percent increase in written requests (approximately 1,600 requests per week) above levels experienced during the same period in FY 2009. To help improve performance, we completed our planned hiring of military correspondence technicians and will continue to monitor progress to ensure increased response times to military personnel requests.

Preparations are underway to move to a new NPRC facility in St. Louis, MO, in 2011. Current facilities housing these records contain numerous problems that cannot cost effectively be renovated to meet storage standards. The new facility will provide vastly improved storage conditions for our military service files while helping to ensure their continued preservation.

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

*Results: We met 2 out of 7 performance measures.*

<b>Goal 2: We will preserve and process records to ensure access by the public as soon as legally possible</b>						
2.1: By 2016, 85 percent of scheduled transfers of archival records are received at the scheduled time. 2.2: By 2016, 95 percent of archival holdings have been processed to the point where researchers can have efficient access to them. 2.3: By 2012, 90 percent of agency declassification programs earn high scores from ISOO. 2.4: By 2016, NARA archival holdings of 25-years-old or older records are declassified, exempted, or referred under the provisions of Executive Order 13526. 2.5: By 2016, 100 percent of archival holdings are stored in appropriate space. 2.6: By 2014, 100 percent of NARA records center holdings are stored in appropriate space. 2.7: By 2016, less than 50 percent of archival holdings require preservation action.						
<b>Performance Indicator</b>	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Target</b>	<b>2010 Actual</b>
Percent of transfers of high value archival records received at the scheduled time	–	–	–	21	30	27
Percent of archival holdings that have been processed to the point where researchers can have efficient access to them	–	21	30	41	50	47
Percent of agency declassification reviews that receive high scores as assessed by ISOO	–	–	36	53	69	67
Percent increase in the number of pages completed in the NDC process.	–	–	–	–	10	71
Annual number Presidential pages scanned (in thousands)	506	512	519	545	500	531
High Priority Measure: Percent of NARA	57	80	81	82	–	82

archival holdings in appropriate space (target 85 percent by 2012)						
High Priority Measure: Percent of NARA records center holdings in appropriate space (target 85 percent by 2012)	–	–	–	–	–	60
Percent of archival holdings that require preservation action	–	65	65	65	≤ 65	64

Our commitment to ensuring access to the records of our nation depends heavily on getting the records transferred from agencies to NARA on schedule. Without the proper identification, schedule, disposition, and transfer of these important records to the National Archives, the Federal Government is vulnerable to losing these records. NARA works closely with agencies to get more of their high value records transferred on schedule, or even ahead of schedule, as in the case of some electronic records. We set a target to bring in 30 percent of selected records on schedule; we received 27 percent on schedule, but were well ahead of last year’s target.



*With the help of the Carter Library staff, Douglas Ramseur surprised Lauren Cogswell with a proposal next to President and Mrs. Carter’s wedding clothes. They had their first date at the library two years ago. (Photo by Kimberly Broerman)*

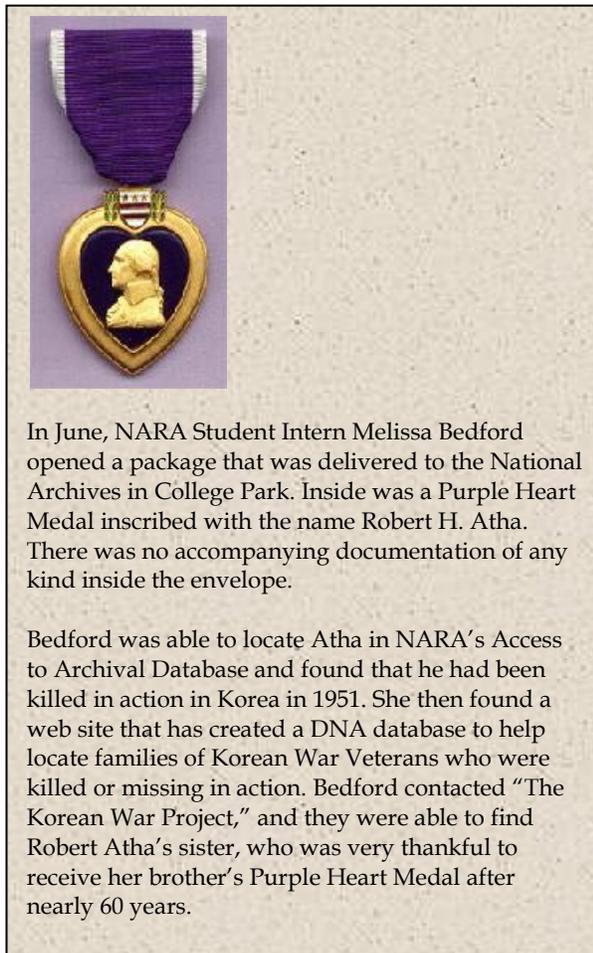
We continue to aggressively address our backlog of unprocessed records. Archival processing involves a series of steps that establish physical and intellectual control of records and culminates in describing records in our online catalog, making them easier and faster to locate for research. Although the percent of processed backlogged records has improved from 30 percent in FY 2008 to 47 percent in FY 2010, the processing backlog of textual and audiovisual records has grown over the decades. In addition, new processing challenges have arisen with

the increasing number of electronic records accessions and the loss of veteran staff due to retirement. To address the waning skilled staff, we hired a cadre of new entry-level archivists. These archivists participate in developmental training to gain institutional and archival knowledge unique to NARA so that they are prepared to help with many of NARA’s challenges, including records processing.

The processing of Presidential records differs from processing Federal records because of requirements in the Presidential Records Act. This Act entitles the former President and the incumbent to exercise executive privilege in determining what records can be released. This requires 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 made steady progress in the processing of our backlog of records; however, the addition of the George W. Bush Presidential records to the count of

holdings dramatically increased the backlog. We added archivists to our Presidential Libraries and spent much of this year training these new archivists. With the addition of new staff this year, we expect a steady improvement in processing holdings.

Upon signing of Executive Order 13526, NARA was designated to establish and lead a National Declassification Center (NDC), a critical element in reforming the Executive Branch's declassification program. Working closely with staff of national security agencies, NARA developed a concept of operations for a national center that would work collaboratively with agencies to efficiently and effectively manage the referral of classified equities between the various equity holders. Incorporating Lean Six Sigma concepts, we re-engineered our current declassification business processes to efficiently process and expedite the availability of declassified records to the public while balancing the needs of national security. To demonstrate our commitment to open government, we involved the public and historical communities to help us establish priorities for declassification and interagency referral reviews; the Archivist hosted an Open Forum to discuss the NDC and share the Prioritization Plan; we collaborated with national security agencies to improve business processes; and we established a website to provide timely information on the NDC.



For classified materials in the Presidential Library system, we continued our partnership with the Central Intelligence Agency (CIA) through our Remote Archives Capture (RAC) project. We met our target by scanning more than 530,000 pages of classified Presidential records eligible for declassification.

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. To comply with 36 CFR 1234 storage standards for Federal records, we continued to work on a lease agreement to replace our Denver records center and two new leases to replace the Washington National Records Center in Suitland, MD. We have renovation efforts underway to bring facilities such as our Federal Records Centers in Seattle, WA, and Chicago, IL, into compliance. We recently completed

improvements to our facility in Waltham, MA. Construction of a new National Personnel Records Center (NPRC) facility in St. Louis County is scheduled for initial occupancy in 2011. The facility will store our archival and permanent holdings and be built to the current archival storage standards of NARA 1571. The new facility will store records currently located at the Military Personnel Records Center and the Civilian Personnel Records Center in St. Louis, MO.

**Strategic Goal 3: Managing Electronic Records**

Results: We met 3 out of 3 performance measures.

<i>Goal 3: We will address the challenges of electronic records in Government to ensure success in fulfilling NARA's mission in the digital era.</i>						
3.1: By 2016, 95 percent of archival electronic holdings have been processed to the point where researchers can have efficient access to them.						
3.2: By 2012, 80 percent of archival electronic records are preserved at the planned level of service.						
3.3: By 2016, the per-megabyte cost of managing archival electronic records through Electronic Records Archives (ERA) decreases each year.						
Performance Indicator	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Target	2010 Actual
Percent of archival electronic accessions processed	80	81	86	88	80	88
Percent of archival electronic records stabilized	89	89	90	88	85	86
Per megabyte cost of managing electronic records decreases each year	\$0.43	\$0.37	\$0.39	\$0.36	<\$0.36	\$0.15

The Electronic Records Archives (ERA) is our cutting-edge system that captures electronic records and information, regardless of format, saves them permanently, and makes them accessible on whatever hardware or software is currently in use. We achieved a major milestone with the deployment of the Congressional Records Instance of ERA. This instance provides for management and access to Congressional assets.

In addition, staff tested a prototype of Online Public Access (OPA), the portal for public access to our holdings and information about our holdings, which will be made available to the public in early FY 2011. We also drafted a Preservation Framework, defining the principles for long-term preservation and access to permanent electronic records in ERA.

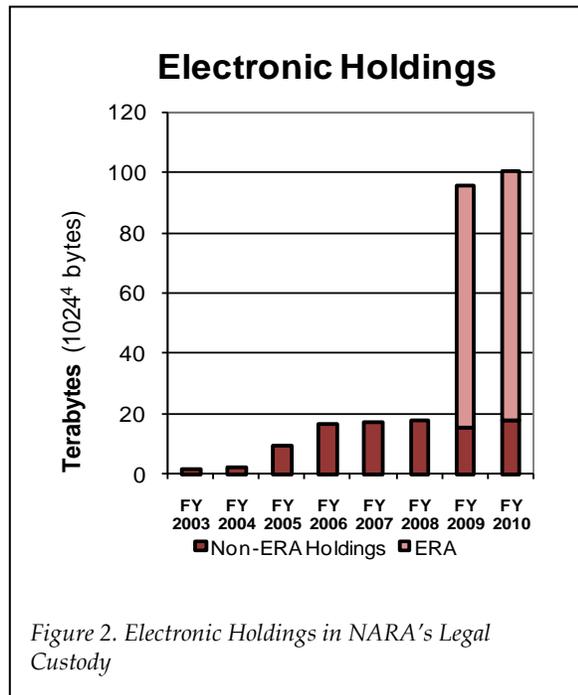


Figure 2. Electronic Holdings in NARA's Legal Custody

We continue to move data from our legacy systems to ERA with more than 1,000 accessions ingested to date. Data from our Presidential Libraries brings the total volume

in ERA to nearly 83 Terabytes (as of 9/30/10). Recently the White House announced that ERA was one of OMB’s high priority IT investments. We welcome the increased attention and are targeting a mid-2011 timeframe for demonstrating our success in making the system ready for use by all agencies. By mid-2012, we fully anticipate that ERA will be required for all Federal agencies to transfer their permanent electronic records to NARA.

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

*Results: We met 10 out of 10 performance measures*

<b>Goal 4: We will provide prompt, easy, and secure access to our holdings anywhere, anytime.</b>						
4.1: By 2016, NARA customer service standards for researchers are met or exceeded (4 measures). 4.2: By 2012, 1 percent of archival holdings are available online (2 measures). 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.						
<b>Performance Indicator</b>	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Target</b>	<b>2010 Actual</b>
Percent of written requests answered within 10 working days.	97	95	94	95	93	93
Percent of items requested in our research rooms furnished within 1 hour of request or scheduled pull time.	96	86	93	93	94	96
Percent of Freedom of Information Act requests for Federal records completed within 20 working days.	87	88	89	86	87	89
Percent of online archival fixed-fee reproduction orders completed in 20 working days or less (35 working days pre-2007)	97	72	68	90	90	96
Percent of electronic archival holdings available online	2.11	1.55	1.44	1.25	0.30	1.4
Percent of traditional archival holdings available online	—	—	0.038	0.041	0.30	0.6
Percent traditional holdings in an online catalog	51	56	64	69	70	70
Percent artifact holdings in an online catalog	57	57	61	74	70	78
Percent electronic holdings in an online catalog	98	99	98	95	70	96
NARA web sites scores as percent of benchmarked score for other Federal web sites	69	67	66	69	72	74

We continually strive to make our holdings accessible to the public as soon as possible. One indication of the quality and interest in the information we provide is the number of visitors to our web sites – more than 33 million visits in FY 2010. Through partnerships and collaborative efforts, we continue to increase the number of digital records available to the public through our online catalog of NARA’s nationwide holdings, the Archival Research Catalog (ARC). More than 2.8 million cubic feet of traditional holdings are described in ARC, 70 percent of our holdings. To date, we have received more than 24 million digital objects from partners. We continued with our multi-party projects digitizing the Homestead land entry files for Nebraska City and Lincoln; we partnered with Footnote to digitize and describe various Holocaust Assets Records microfilm publications, and we initiated another project with Footnote to digitize Civil War Union Service Records. A project with Ancestry.com recently culminated in a *Report of the Deaths of American Citizens Abroad*.

We welcome social media as a way to communicate and deliver timely information to the public. In FY 2010, not only did we continue with social media and networking tools such as *YouTube*, *Flickr*, *Twitter*, and *Facebook*, but we also increased our use of blogs, wikis, and *IdeaScale*. We joined *FlickrCommons*, a web site for cultural institutions to collaborate and share photograph collections with the public, and we established *Facebook* pages for several of our regional archives and Presidential Libraries. In the spring, we launched “AOTUS: Collector in Chief,” the blog of the Archivist of the United States. We recently launched a groundbreaking pilot project, the Our Archives wiki, which encourages “citizen archivists” to contribute their expertise and guidance to NARA.



Sgt. Darren Rogers checks Facebook while deployed in Afghanistan. Rogers is a fan of NARA's new social media presence. (Photo courtesy Sgt. Rogers)



The OPEN Government Act of 2007 amended the Freedom of Information Act to create an Office of Government Information Services (OGIS) within NARA. This act expanded NARA's responsibilities to strengthen FOIA throughout the Executive branch, and ensure transparency of Government information to the public. The office began operations with efforts underway to provide mediation services, respond to the public about the administration of FOIA, and improve processes used by OGIS, administrative agencies, and the public.

In response to the call for a more open and transparent government, and in celebration of the Federal Register's 75<sup>th</sup> anniversary, we launched *Federal Register 2.0*—an online newspaper edition of the *Federal Register*. Partnered with GPO and GovPulse, this effort reflects a public/private partnership and use of Web 2.0 technologies. Developed using open source code, this tool presents regulatory information in a new format that offers improved navigation and search features. And similar to a newspaper, *Federal Register 2.0* displays news sections for information related to topics of interest such as the environment, science and technology, and business and industry, to name a few. The web site integrates with *Regulations.gov* and the Unified Agenda, creating a seamless process for comment submissions into the official e-Rulemaking docket. In FY 2010, the public performed 318,004,054 online retrievals of *Federal Register* documents.

We continued to provide outstanding customer service exceeding our FY 2010 targets in almost every area. To date, we are exceeding our targets for written requests received from customers answered within 10 working days (94 percent); items requested in our research rooms provided within one hour of the request (95 percent); Freedom of

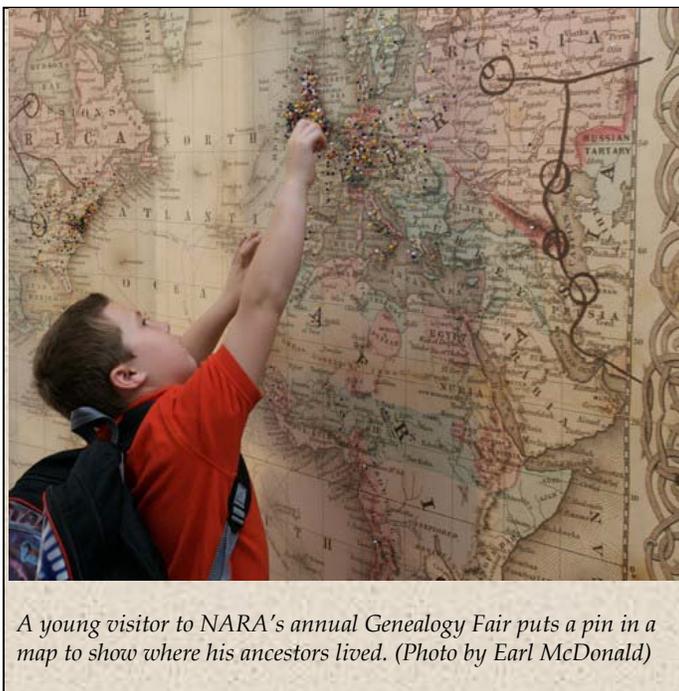
Information Act (FOIA) requests for Federal records completed within 20 working days (89 percent), and online orders completed within 20 working days (96 percent).

**Strategic Goal 5: Increasing Civic Literacy**

Results: We met 2 out of 2 performance measures.

<b>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.</b>						
5.1: By 2016, 90 percent of NARA's visitors are satisfied with their visit experience. 5.2: By 2016, a minimum of 85 percent of all NHPRC-assisted projects produce the results required, employing rigorous standards and milestones approved by the Commission.						
Performance Indicator	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Target	2010 Actual
Percent of public program visitors who are highly satisfied with their visit experience	96	96	97	97	85	99
Percent of NHPRC-assisted grants produce the results required	88	86	81	82	82	92

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



A young visitor to NARA's annual Genealogy Fair puts a pin in a map to show where his ancestors lived. (Photo by Earl McDonald)

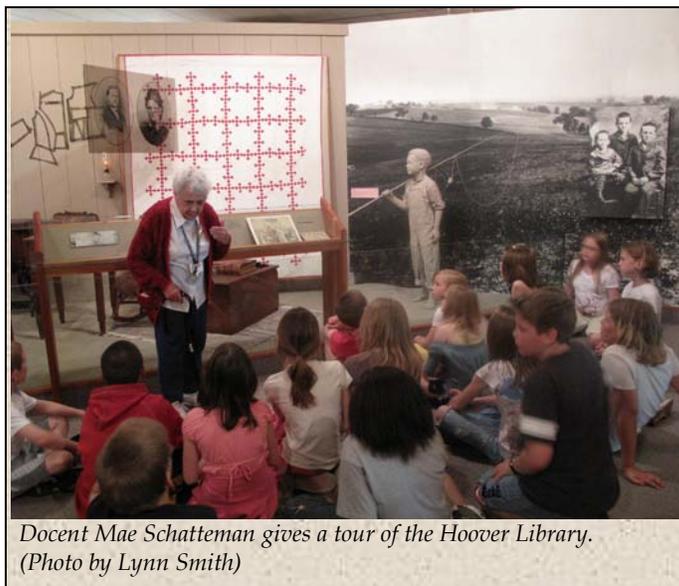
documentary record of American history is of paramount importance. Our holdings are so vast and diverse that the value and amount of information available to the public is not always apparent. Therefore, we engage in a number of activities designed to advance understanding of civic literacy.

Our commitment to civic literacy has always extended beyond the walls of our archival facilities to touch the communities across the country. This year we opened a revolutionary exhibition – *Discovering the Civil War* – where an

extensive display of our holdings was assembled to reveal many unknown facts about the Civil War. *Discovering the Civil War* is a two-part exhibition that combined use of our holdings with touch-screen technology incorporating social media to allow visitors to view the war using the latest tools. We presented public programs in celebration of the exhibit that included: *At the Edge of the Precipice: Henry Clay and the Compromise that Saved the Union*; *Women on the Civil War Battlefield*; and *The Civil War in 3-D*. In early FY 2011, the original Emancipation Proclamation will be showcased for three days in Part 2 of the exhibition.

*DocsTeach*, another highly successful open government initiative, is an education web site designed to provide instruction to teachers in the best practices of teaching with primary sources. Using documents in our holdings as teachable resources, *DocsTeach* strongly supports our goal to promote civic literacy. This tool, now in Beta testing, provides all teachers with access to primary sources, instruction in best practices, and opportunities to interact with teachers across the nation. When developing the site, we established an online community that served as a virtual meeting place for NARA's education team and colleagues from schools, institutions, and organizations across the nation to collaborate and share innovative ideas and best practices for this online web resource. Throughout development of the site, we regularly communicated our progress and requested feedback every step of the way. 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.

Our Presidential Libraries continue to host robust museum, education, and public program offerings. The Libraries share a common goal of educating the public about how government works and how Administration policy and programs are developed. We work collaboratively to develop new and exciting ways to reach students, teachers, and everyday visitors to the Presidential Timeline web site. To reach new audiences and disseminate timely information, several Libraries increased their online presence through social media outlets such as Facebook and blogs. We continue to educate the public through our exhibits held throughout our



Docent Mae Schatteman gives a tour of the Hoover Library.  
(Photo by Lynn Smith)

Libraries. For example, the "America and the Cold War" exhibit opened at the Ford Museum, traces the history of the Cold War and its effect on culture, political leadership and world politics; and at the Clinton Library, "Leadership in a Time of Crisis: President Clinton and the Oklahoma City Bombing," an in-house exhibit about the Oklahoma City bombing to commemorate the 15th anniversary of that event.

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. Nearly 93 percent of all grants are successfully producing the results required. A grant supporting our *Founding Fathers* project, an effort to provide free, online access to authoritative transcriptions of the writings of our

*Founding Fathers* and other important figures, resulted in the release of 5,000 unpublished transcriptions of materials from President John Adams and James Madison to the public.

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

*Results: We met 1 out of 4 performance measures (1 measure under development).*

<b>Goal 6. We will equip NARA to meet the changing needs of our customers.</b>						
6.1: By 2016, 95 percent of employees possess the core competencies that were identified for their jobs. 6.2: By 2016, the percentages of NARA employees in underrepresented groups match their respective availability levels in the Civilian Labor Force (CLF). 6.3: By 2016, 60 percent of NARA's positions are filled within 80 days. 6.4: By 2016, NARA's telework rate is 100 percent of the Federal Government average rate. 6.5: By 2016, public applications are available 99 percent of the time.						
<b>Performance Indicator</b>	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Target</b>	<b>2010 Actual</b>
Percent of employees possessing core competencies identified for their jobs	–	–	–	–	–	–
Number of underrepresented groups matching respective availability levels in the CLF (out of 6)	1	1	1	1	6	1
Percent of NARA's positions filled within 80 days	–	–	–	–	30	12
Percent of NARA's eligible staff participating in the telework program	–	–	–	–	15	4
Percent of public applications availability	98.9	99.4	99.5	99.5	98.85	99.65

We moved forward in making NARA a great place to work for NARA staff. 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***

Our long-term objectives are tied directly to our budget. The chart on the next page illustrates, by strategic goal and long-term objective, the resources allocated to each of these goals. (The resources obligated to each of these goals are shown in figure 4 on p. 25.) The chart also links the major budget functions to each of our long-term objectives.

NARA Goals and Long-Term Objectives (\$ and FTE allocated to each Goal)	Records Services	Archives – Related Services	Electronic Records Archives	Revolving Fund	Trust Fund	NHPRC	Repairs & Restoration
<b><i>Goal 1: \$45,807,000 and 1,694 FTE</i></b>							
1.1: By 2016, 50 percent of agencies' records management self-assessments received by NARA.	✓						
1.2: By 2016, 90 percent of customers are highly satisfied with NARA records management services.	✓						
1.3: By 2016, records management transactions serviced by the Federal Records Center Program grow by 6 percent.				✓			
1.4: Within 30 days of the end of an administration, 100 percent of Presidential and Vice Presidential materials have been moved to NARA locations or NARA-approved facilities.	✓						
<b><i>Goal 2: \$209,769,000 and 749 FTE</i></b>							
2.1: By 2016, 85 percent of scheduled transfers of archival records are received at the scheduled time.	✓		✓				
2.2: By 2016, 95 percent of archival holdings have been processed to the point where researchers can have efficient access to them.	✓		✓				
2.3: By 2012, 90 percent of agency declassification programs earn high scores from ISOO.	✓						
2.4: By 2016, NARA archival holdings of 25-year-old or older records are declassified, exempted, or referred under the provisions of Executive Order 13526.	✓						
2.5: By 2016, 100 percent of archival holdings are stored in appropriate space.	✓						✓
2.6: By 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.	✓						
<b><i>Goal 3: \$98,178,000 and 96 FTE</i></b>							
3.1: By 2016, 95 percent of archival electronic holdings have been processed to the point where researchers can have efficient access to them.	✓		✓				
3.2: By 2012, 80 percent of archival electronic records are preserved at the planned level of service.	✓		✓				
3.3: By 2016, the per-megabyte cost of managing electronic records decreases each year.	✓		✓				
<b><i>Goal 4: \$56,336,000 and 320 FTE</i></b>							
4.1: By 2016, NARA customer service standards for researchers are met or exceeded.	✓		✓				

**National Archives and Records Administration**  
**Performance and Accountability Report, FY 2010**

<b>NARA Goals and Long-Term Objectives</b> (\$ and FTE allocated to each Goal)	Records Services	Archives – Related Services	Electronic Records Archives	Revolving Fund	Trust Fund	NHPRC	Repairs & Restoration
4.2. By 2012, 1 percent of archival holdings are available online.	✓		✓				
4.3. By 2016, 95 percent of archival holdings are described in an online catalog.	✓		✓				
4.4. By 2012, our web sites score at or above the benchmark for excellence as defined for Federal government web sites.	✓				✓		
<b>Goal 5: \$30,356,000 and 190 FTE</b>							
5.1. By 2016, 90 percent of NARA’s visitors are satisfied with their visit experience.	✓				✓		
5.2. By 2016, a minimum of 85 percent of all NHPRC-assisted projects produce the results required, employing rigorous standards and milestones approved by the Commission.	✓					✓	
<b>Goal 6: \$35,736,000 and 184 FTE</b>							
6.1. By 2016, 95 percent of employees possess the core competencies that were identified for their jobs.	✓		✓	✓	✓		
6.2. By 2016, the percentages of NARA employees in underrepresented groups match their respective availability levels in the Civilian Labor Force (CLF).	✓		✓	✓	✓		
6.3. By 2016, 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

Fiscal Year 2010 is the seventh year that NARA prepares and submits our consolidated financial statements to the Office of Management and Budget (OMB) and U.S. Congress in accordance with the Chief Financial Officers (CFO) Act, subject to the Accountability of Tax Dollars Act (ATDA) of 2002. The financial statements presented in this report have been prepared from NARA's accounting records in accordance with the generally accepted accounting standards prescribed for Federal entities by the Federal Accounting Standards Board (FASAB), and presentation standards prescribed by OMB Circular A-136, *Financial Reporting Requirements*.

### Sources of Funds

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

FY 2010 budget authority from NARA's operating appropriation was \$471 million. We carried over \$57 million in multi-year and no-year funds available for obligation. Total appropriated budget authority for FY 2010 was \$528 million (see Figure 3).

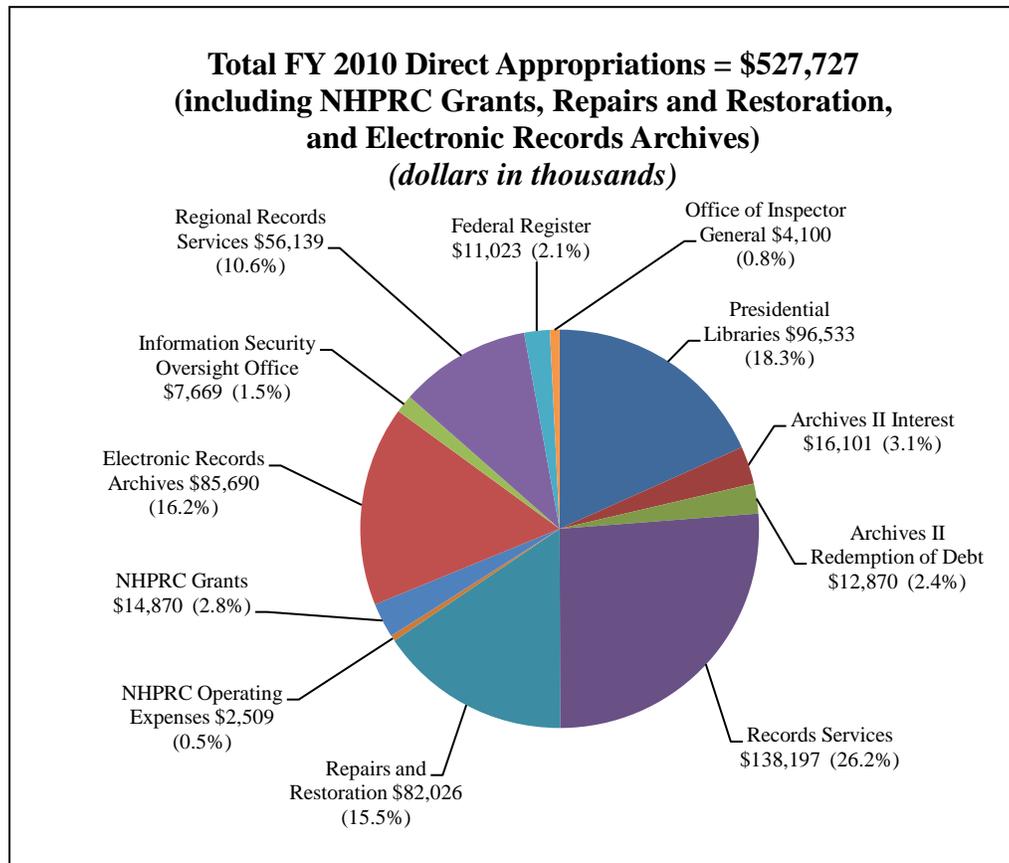


Figure 3. Appropriated Budget Authority, FY 2010

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

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

The National Archives Trust Fund and Presidential Library Trust Funds' budget authority includes revenues generated from the sale of publications, museum shop sales, paper reproductions, audio visual reproductions, library admissions, educational conferences, and interest income. Expenditures are made for the cost of museum shop inventory, personnel, operational and financial systems, equipment, and reproduction supplies. The National Archives Trust Fund and Presidential Library Trust Funds earned revenue of \$17 million in FY 2010.

The Gift Fund's budget authority includes donations and interest earned on those gifts and endowments. It was established to administer incoming gifts and bequests for the benefit of, or in connection with, the archival and records activities of the National Archives and Records Administration. Expenditures are made for various programs, including historical research, conferences, archival and cultural events, and publications. In FY 2010, the gift fund received donations of \$1.5 million.

The Revolving Fund's budget authority includes revenue generated from the temporary Federal agency records stored in NARA service facilities. It provides storage, transfer, reference, re-file, and disposal services for a standard fee. The Revolving Fund earned revenue of \$162 million, after intra-entity eliminations in FY 2010.

### Uses of Funds by Function

NARA incurred new general fund obligations of \$455 million in FY 2010. Of this, \$2 million is for reimbursable work. The chart below represents obligations by strategic goals.

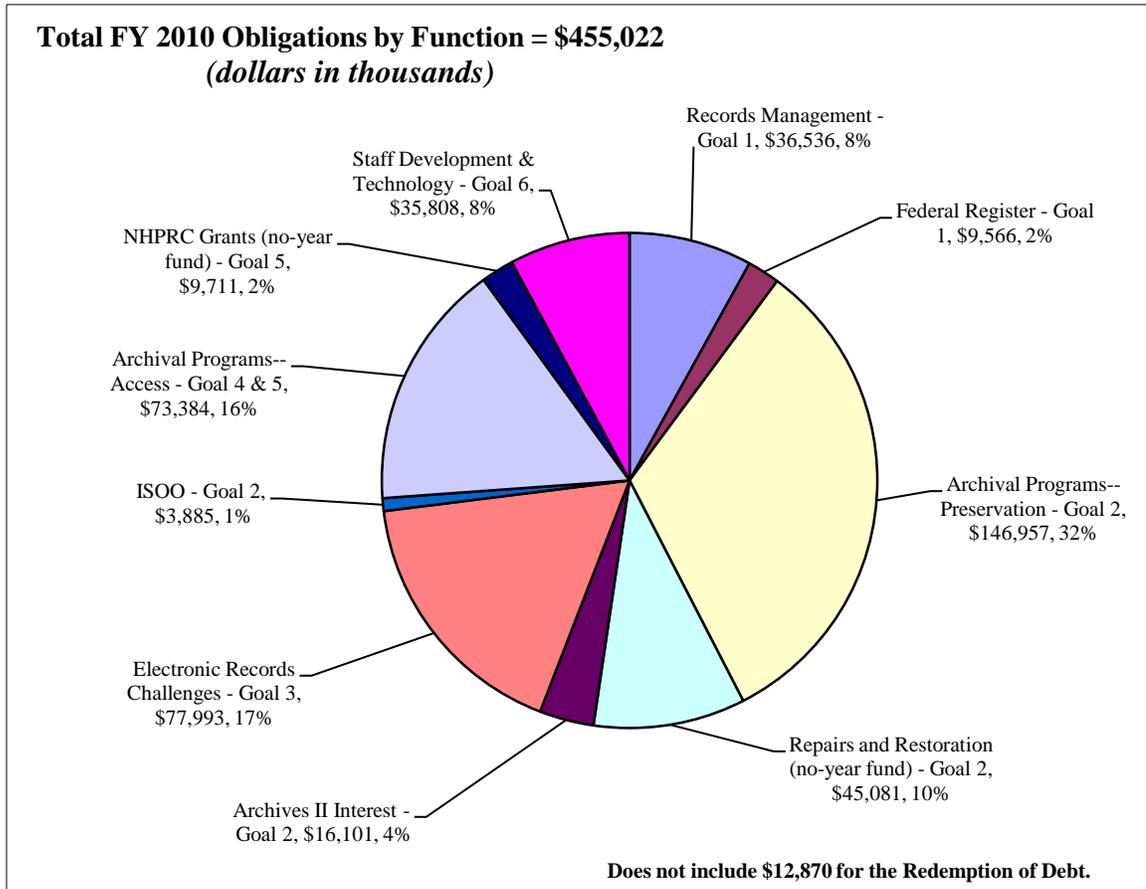


Figure 4. Obligations by Function, FY 2010

### Audit Results

NARA's FY 2010 financial statements were audited by Cotton and Co. under contract to NARA's Office of the Inspector General. NARA received an unqualified audit opinion on its FY 2010 and FY 2009 financial statements. While recognizing the progress made by NARA, the auditors carried forward the significant deficiency in Information Technology control environment for FY 2010.

### 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.

### *Limitations of the Financial Statements*

The principal statements have been prepared to report the financial position and results of operations of NARA, pursuant to the requirements of 31 U.S.C. 3515 (b). While the statements have been prepared from NARA's books and records in accordance with generally accepted accounting principles (GAAP) for Federal entities and the formats prescribed by the Office of Management and Budget, the statements are additional to the financial reports used to monitor and control budgetary resources, which are prepared from the same books and records. The statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity.

### *Analysis of the Balance Sheet*

**ASSETS:** NARA's assets were \$781.7 million as of September 30, 2010, an increase of \$52.5 million from the end of FY 2009. The majority of this increase resulted from an increase in Fund balance due to the annual appropriations and accumulation of software development costs for ERA project, leasehold improvement projects, as well as computer and communication equipment upgrades. The assets reported in NARA's balance sheet are summarized in the accompanying table.

<b>Asset Summary (in millions)</b>	<b>FY 2010</b>	<b>FY 2009</b>
Fund balance with Treasury and cash	\$ 284.2	\$ 256.9
General property, plant, and equipment, net	444.4	420.4
Investments	36.8	34.9
Accounts receivable, net	14.5	15.0
Inventory	1.0	1.0
Other	0.8	1.0
<b>Total assets</b>	<b>\$ 781.7</b>	<b>\$ 729.2</b>

The fund balance with Treasury and cash represents approximately 36 percent of total assets. Property, plant, and equipment constitute 56 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, 2010, amounted to \$281.8 million. An increase of \$11.9 million from the end of FY 2009 is due mainly to the broader base of expenditures and several major long term projects with protracted billing processes. The liabilities reported in NARA's balance sheet are summarized in the accompanying table.

<b>Liabilities Summary (in millions)</b>	<b>FY 2010</b>	<b>FY 2009</b>
Debt held by the public	\$ 181.0	\$ 193.9
Accounts payable	56.4	35.0
Federal employees benefits	11.2	11.0
Other	33.2	30.0
<b>Total liabilities</b>	<b>\$ 281.8</b>	<b>\$ 269.9</b>

Debt held by the public accounts for approximately 64 percent of total liabilities and represents certificates of participation issued to the public through a trustee to cover the

construction costs of the National Archives at College Park. Liabilities totaling \$203.8 million, or 72 percent of total liabilities, are unfunded, i.e., budgetary resources are not yet available as of September 30, 2010. 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 \$181.0 million for debt held by the public, \$12 million for actuarial portion of Federal employee benefits, and \$10.8 million for unfunded annual leave.

**NET POSITION:** The difference between total assets and total liabilities represents net position of \$499.8 million as of September 30, 2010. The net position reported in NARA's balance sheet is summarized in the accompanying table.

<b>Net Position Summary (in millions)</b>	<b>FY 2010</b>	<b>FY 2009</b>
Unexpended appropriations	\$ 196.8	\$ 193.4
Cumulative results of operations	303.0	265.9
<b>Total net position</b>	<b>\$ 499.8</b>	<b>\$ 459.3</b>

Net position is affected by changes in its two components – Cumulative Results of Operations and Unexpended Appropriations. Unexpended appropriations amount is the authority granted by Congress that has not been expended. Cumulative results of operations line reflects funding of capital needs of the agency since NARA's inception and net results of the revolving fund operations. The increase in net position of \$40.5 million from FY 2009 to FY 2010 comprises the increase in cumulative results of operations of \$37.1 million and an increase in unexpended appropriations of \$3.4 million. The overall increase is due mainly to the increase in budget authority in FY 2010 and the capital expenditures during fiscal year 2010, of which ERA software development costs are the most significant single factor.

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

The statement of net cost presents the net cost of NARA's six major programs. NARA's net cost of operations for the year ended September 30, 2010, is \$450.1 million. The increase of \$37.2 million in the net cost of operation is due largely to the higher operating costs, such as utilities and rent, and major restoration and improvements projects at the libraries; especially the Kennedy, Johnson, Roosevelt, and Nixon libraries in FY 2010; as well as an increase in grants awarded by the National Historical Publications and Records Commission.

Net costs by program are shown in the accompanying table.

<b>Net Cost of Operations (in millions)</b>	<b>FY 2010</b>	<b>FY 2009</b>
Records and archives-related services	\$ 386.2	\$356.4
Trust and gift funds	(1.9)	(3.5)
Electronic records archives	17.1	17.6
National Historical Publications and Records Commission grants	8.8	6.4
Archives facilities and presidential libraries repairs and restoration	29.5	23.9
Records center storage and services	10.4	12.1
<b>Net cost of operations</b>	<b>\$ 450.1</b>	<b>\$ 412.9</b>

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

The statement of budgetary resources presents the sources of budgetary resources and their status at the end of the period, as well as demonstrates the relationship of obligations to outlays. For FY 2010, NARA had budgetary resources available of \$778 million, an increase of 8 percent over \$716 million in FY 2009. The majority of the increase resulted from new budget authority and an increase in the business volume by the revolving fund.

### ***Debt Management***

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

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

NARA does not have any high risk programs, as defined by OMB and the Improper Payments Information Act of 2002 (IPIA), or programs and activities that meet the threshold established by the Office of Management and Budget as a definition of significant erroneous payments.

## Systems, Controls, and Legal Compliance

This section provides information about NARA's compliance with the

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

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

The Federal Managers' Financial Integrity Act mandates that agencies establish controls that reasonably ensure that (i) obligations and costs comply with applicable law; (ii) assets are safeguarded against waste, loss, unauthorized use, or misappropriation; and (iii) revenues and expenditures are properly recorded and accounted for. This act encompasses operational, program, and administrative areas, as well as accounting and financial management. It requires the Archivist to provide an assurance statement to the President on the adequacy of internal controls. (*See appendix for NARA's FY 2010 FMFIA Report.*)



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

NARA's internal controls worked to ensure the attainment of our mission and FY 2010 goals, maintain efficient operations, and reduce fraud and the misuse of taxpayer-provided resources. NARA managers submitted an annual assurance statement, along with an internal control plan, to the Archivist of the United States at the end of the fiscal year. These statements were based on various sources and included

- Management knowledge gained from daily operation of programs
- Management reviews
- Program evaluations
- Audits of financial statements
- Reviews of financial systems
- Annual performance plans and periodic performance reporting to the Archivist
- Senior Staff reviews and briefings
- Internal oversight groups for agency programs
- Monthly reporting in NARA's Performance Measurement Reporting System
- Reports and other information provided by the congressional committees of jurisdiction.

### ***FY 2010 Internal Controls***

NARA evaluated its internal control systems for the fiscal year ending September 30, 2010. This evaluation provided reasonable assurance that, except for five material weaknesses, the agency's internal controls achieved their intended objectives. No material weaknesses in internal controls over financial reporting have been identified this year or in the past year by management assessments or the independent auditors.

Pursuant to Section 2 of the Integrity Act, we identified a material weakness in our holdings protection program in FY 2001. We have made progress in our actions to remedy the holdings protection weakness, but still have substantial work to accomplish. In FY 2009, we declared a material weakness related to NARA's misalignment of policy and contract language regarding the handling of personally identifiable information (PII) on NARA-owned storage device, particularly hard drives. We have been able to accomplish all necessary control work to end that weakness. However, other issues in the broader area of information security will combine for a new material weakness with a multi-year mitigation strategy. In FY 2008, we declared a material weakness in artifact inventory processes at our Presidential Libraries, which will continue for another year. In FY 2010, we are recognizing material weaknesses in both archival records preservation and traditional records processing. Details on the five material weaknesses are found in our Federal Managers' Financial Integrity Act Report in the Other Accompanying Information section.

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

The Federal Information Security Management Act (FISMA) requires Federal agencies to conduct an annual self-assessment review of their information technology security program, to develop and implement remediation efforts for identified security weaknesses and vulnerabilities, and to report to OMB on the agency's compliance. This year's FISMA submission is required no later than November 15, 2010.

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

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

James Whitman came to the National Archives at Kansas City in June to look at Bureau of Indian Affairs records from the Fort Berthold Indian Reservation hoping to find information about his family. Whitman's father had been a tribal chairman several times, and had served on a Presidential Commission during the Kennedy administration. He was able to find pictures of Fort Berthold that featured his father and other family members, and also himself as a little boy. While using the public access computer, Whitman noticed a framed photo on the wall of the cast of an operetta performed at Pierre Indian School, and identified his father as a musician in the photo. The photos provided Whitman glimpses of his past that he didn't know existed.



*Performers at the Fort Berthold Indian Reservation. James Whitman's father is in the front row, holding the saxophone. (Photo from the Archival Research Catalog)*

*Statements*, and as such is not required to report separately on its compliance with FFMIA in its FMFIA reports.

### **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**

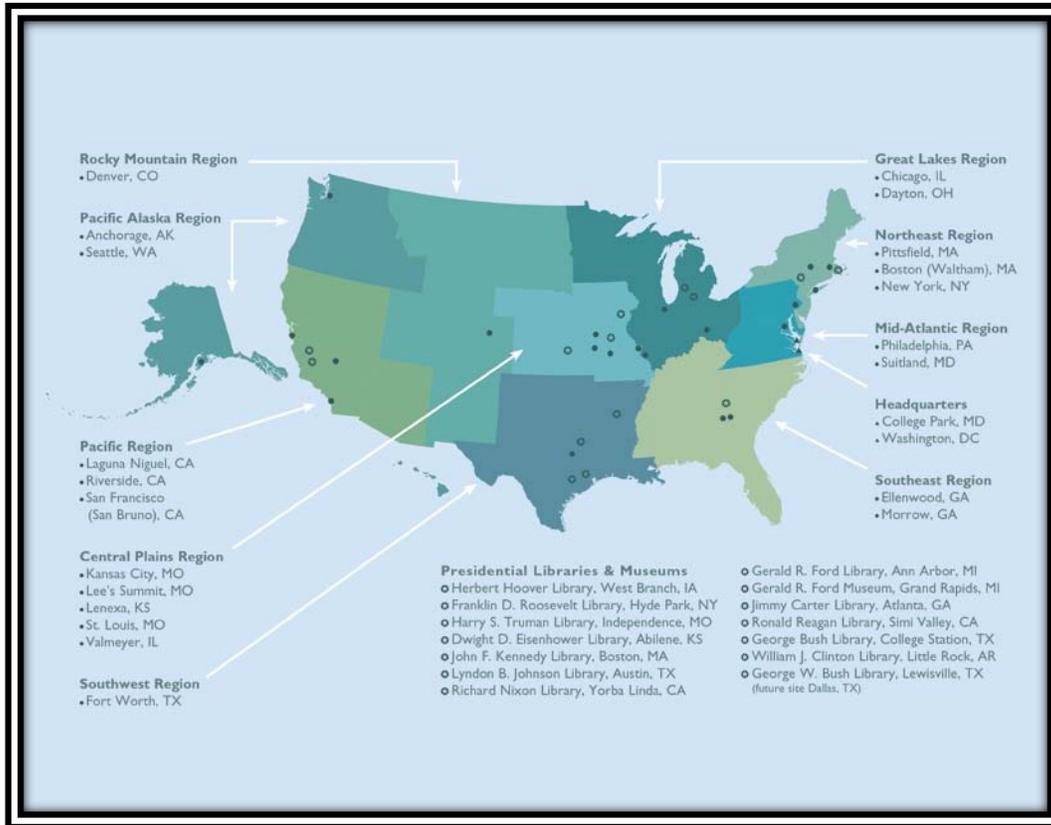
We are committed to resolving and implementing open audit recommendations presented in OIG reports. Section 5(b) of the Inspector General Act requires agencies to report on final actions taken on OIG audit recommendations. This information is included in the Archivist's transmittal of the OIG semi-annual report to Congress.



*Mrs. Henderson was the one millionth visitor to the National Archives. She and her family were welcomed by the Archivist. (Photo by Cathy Farmer)*

## NARA Facilities Span the Country

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



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

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

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

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

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

NARA-Northeast Region  
(Boston)  
380 Trapelo Road  
Waltham, MA 02452  
781-663-0130

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

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

**National Archives and Records Administration**  
Performance and Accountability Report, FY 2010

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**NARA-Mid Atlantic Region**  
V. Chapman-Smith,  
*Regional Administrator*

NARA-Mid Atlantic Region  
(Center City Philadelphia)  
900 Market Street  
Philadelphia, PA 19107  
215-606-0100

NARA-Mid Atlantic Region  
(Northeast Philadelphia)  
14700 Townsend Road  
Philadelphia, PA 19154  
215-305-2000

**NARA-Southeast Region**  
James McSweeney,  
*Regional Administrator*

NARA-Southeast Region  
(Atlanta)  
5780 Jonesboro Road  
Morrow, GA 30260  
770-968-2100

NARA-Southeast Region  
(Atlanta)  
4712 Southpark Boulevard  
Ellenwood, GA 30294  
404-736-2820

**NARA-Great Lakes Region**  
David Kuehl,  
*Regional Administrator*

NARA-Great Lakes Region  
(Chicago)  
7358 South Pulaski Road  
Chicago, IL 60629  
773-948-9001

NARA-Great Lakes Region  
(Dayton)  
3150 Springboro Road  
Dayton, OH 45439  
937-425-0600

NARA-Great Lakes Region  
(Kingsridge)  
8801 Kingsridge Drive  
Dayton, OH 45458  
937-425-0601

**NARA-Central Plains Region**  
Diane Cejka  
*Regional Administrator*

NARA-Central Plains  
Region (Kansas City)  
400 West Pershing Road  
Kansas City, MO 64108  
816-268-8000

NARA-Central Plains Region  
(Lee's Summit)  
200 Space Center Drive  
Lee's Summit, MO 64064  
816-288-8100

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

1400 John Burgess Drive  
Fort Worth, TX 76140  
817-551-2000

**NARA-Rocky Mountain  
Region**  
Barbara Voss,  
*Regional Administrator*

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

**NARA-Pacific Region**  
David Drake,  
*Regional Administrator*



*President Carter and Former First Lady Rosalynn Carter explore "Freedom's Sisters," an exhibit at the Carter Library*

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

501 West Felix St, Bldg 1  
P.O. Box 6216  
Fort Worth, TX 76115  
817-551-2002

NARA-Pacific Region  
(Riverside)  
23123 Cajalco Road  
Perris, CA 92570  
951-956-2000

NARA-Pacific Region  
(San Francisco)  
1000 Commodore Drive  
San Bruno, CA 94066  
650-238-3500

**National Archives and Records Administration**  
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**NARA-Pacific Alaska Region**  
Candace Lein-Hayes,  
*Regional Administrator*

NARA-Pacific Alaska Region  
(Seattle)  
6125 Sand Point Way, NE  
Seattle, WA 98115  
206-336-5115

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

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

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

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

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

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

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

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

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

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

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

Maryland Office  
8601 Adelphi Road  
College Park, MD 20740  
301-837-3290  
California Office  
18001 Yorba Linda Blvd.  
Yorba Linda, CA 92886  
714-983-9120

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

Gerald R. Ford Library  
1000 Beal Avenue  
Ann Arbor, MI 48109  
734-205-0555

Gerald R. Ford Museum  
303 Pearl Street, NW  
Grand Rapids, MI 49504  
616-254-0400

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

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

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

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

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

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



## Copies of This Report

This report is available on our web site at—

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

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

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

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

or by writing to National Archives and Records Administration, Policy and Planning Staff, 8601 Adelphi Road, Room 4100, College Park, MD 20740-6001. Please specify whether you are interested in the summary report or the full report. Also, we welcome your comments on how we can improve this report for FY 2011. Please e-mail any comments to [Vision@nara.gov](mailto:Vision@nara.gov).

## Other Web Pages of Interest

**Reports, Strategic Documents, Messages from the Archivist:** Find the latest information regarding our mission, vision, and strategic initiatives. [www.archives.gov/about/](http://www.archives.gov/about/)

**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/](http://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. <http://www.archives.gov/open/index.html>

**The National Archives Experience:** Participate in an interactive, educational experience about the power of records in a democracy. [www.archives.gov/national-archives-experience/](http://www.archives.gov/national-archives-experience/)

**Archival Holdings:** Find records of interest in Washington, DC, the regional archives, and Presidential libraries. [www.archives.gov/research/arc/](http://www.archives.gov/research/arc/)

**Presidential Libraries:** Explore the history of our nation through the leaders who helped shape the world. [www.archives.gov/presidential-libraries/](http://www.archives.gov/presidential-libraries/)

**Public Documents:** By law, the U.S. Government Printing Office and the Office of the Federal Register at NARA partner to publish and disseminate the official text of Federal laws, Presidential documents, administrative regulations and notices, and descriptions of Federal organizations, programs and activities. *Now in a new Federal Register 2.0 format!* [www.federalregister.gov](http://www.federalregister.gov)  
[www.ofr.gov](http://www.ofr.gov)  
[www.fdsys.gov](http://www.fdsys.gov)  
[www.archives.gov/federal-register/](http://www.archives.gov/federal-register/)  
<http://ecfr.gpoaccess.gov>

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

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

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

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

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

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

## SECTION 2 PERFORMANCE SECTION

### Measuring and Reporting Our Performance

This annual performance report is based on the goals, strategies, and long-range performance objectives set forth in our 2009 Strategic Plan and the annual objectives in our FY 2010 Performance Budget. The following pages detail our performance on our FY 2010 objectives. Checked boxes indicate those we fully achieved. Those we did not fully achieve have open boxes with an explanation below. We also included relevant performance results and trend information. Our budget links to the report's performance goals. We received no aid from non-Federal parties in preparing this report.

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

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

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

## FY 2010 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 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.

**FY 2010 Resources Available to Meet This Goal:** \$45,807,000; 1,694 FTE

1.1 FEDERAL RECORDS MANAGEMENT

- |                           |  |
|---------------------------|--|
| <b>FY 2010 Objectives</b> | <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> 50 percent of agencies' records management self-assessments received by NARA.</li> <li><input checked="" type="checkbox"/> Conduct one records management study.</li> </ul>                       |
| <b>Results</b>            | <ul style="list-style-type: none"> <li>✓ We received responses from 93 percent of agencies surveyed in the records management self-assessment.</li> <li>✓ We conducted an inspection of three electronic records areas at the Office of the Secretary of Defense.</li> </ul> |

*Discussion* In GAO's FY 2008 report entitled "Federal Records – National Archives and Selected Agencies Need to Strengthen E-Mail Management," GAO recommended that NARA exercise its statutory authority, as defined in the Federal Records Act, and implement oversight mechanisms to ensure that agencies follow records management guidelines when managing their e-mail records. In response to GAO's recommendations, we developed a methodology and a process for conducting and reporting oversight activities on Federal agencies' records management programs. Part of this methodology requires Federal agency records officers to conduct a mandatory self-assessment in which they document the condition of their records management

programs. We conducted our first self-assessment in FY 2009. Ninety-one percent of the more than 240 agencies polled, submitted their self-assessments. In FY 2010, 93 percent of agencies responded. Although the self-assessment is mandatory, we also attribute the high response rate to the availability of the survey online.

In FY 2010, substantial revisions were made to the self-assessment. To facilitate the scoring methodology, we reduced the number of open-ended questions to produce consistent responses among agencies and reduced the amount of subjectivity when deriving a score. In FY 2009, our focus was on five key areas: Program Management, Records Disposition, Vital Records, Electronic Records, and E-Mail Records. We refined our questions in FY 2010, combined electronic records and e-mail, and added a section to focus more closely on training. We expect to publish the report in early FY 2011.

As part of NARAs oversight activities, we perform inspections of Federal agency records management programs. The purpose of inspections is to ensure compliance with the Code of Federal Regulations (CFR). Criteria for selecting agencies for inspection are found in 36 CFR Part 1239 and states that we will conduct an inspection when an agency fails to address specific records management problems involving high risk to significant records. Other circumstances leading to an inspection include a request from an agency head that NARA conduct an inspection to address specific significant records management issues in the agency. Our FY 2010 inspection focused on several efforts at the Office of the Secretary of Defense (OSD) and at the National Geospatial-Intelligence Agency (NGA). Additional information on these inspections can be found in the Federal Records Management Evaluations section of this report.

Due to the high percentage of agencies with high to moderate levels of risk with their records management programs, we plan to conduct at least two inspections in FY 2011. With a focus on training and continued advocacy of records management at the highest levels within an agency, we will work with agencies to decrease the risk to their records management programs.

Federal agencies are increasing their use of web 2.0 and social media tools to create and share information. We conducted a study to examine the affect this may have on the value of the recorded information in web 2.0 tools, such as internal and external blogs, wikis, social networking, and other collaborative web-based technologies. Our conclusions illustrated five major characteristics that may influence the value of records and information maintained in these formats; recommendations to improve management of these types of records; and confirmation that records created using social media tools should continue to be assessed based upon business, evidential, informational, and contextual values. Additional information about the FY 2010 records management study can be found at <http://www.archives.gov/records-mgmt/resources/web2.0-use.pdf>.

**Performance Data**

	2009	2010
<i>Performance target for percent of agencies achieving a passing score for compliance with Federal records management policy.</i>	—	<i>Establish baseline</i>
Percent of agencies that achieve passing scores for compliance with Federal records management policy.	22	TBD
<i>Performance target for percent of agencies records management self-assessments received by NARA.</i>	—	50
Percent of agencies records management self-assessments received by NARA.	91	93
Number of agencies polled in self-assessment.	242	271
Number of agencies responding to self-assessment survey.	220	251

*FY 2011 Performance Plan Evaluation* We will continue to address ways to decrease the risks to Federal records and improve agency records management practices through inspections, studies, and agency self-assessments. We will examine our statutory authority to manage electronic records under the Federal Records Act to determine whether NARA has sufficient authorities to meet our records management mission.

#### 1.2 NARA RECORDS MANAGEMENT SERVICES

<b>FY 2010 Objectives</b>	<input checked="" type="checkbox"/> Digitize and post all approved agency records schedules from 1973 to present on NARA's public web site.
	<input checked="" type="checkbox"/> Increase by 5 percent the number of distance learning course offerings.
<b>Results</b>	<input checked="" type="checkbox"/> We scanned all unclassified NARA-approved records schedules from 1973 to the present and posted them on a newly developed Records Control Schedule web site.
	<input checked="" type="checkbox"/> We more than doubled the number of distance learning course offerings in self-paced and scheduled formats.

*Discussion* NARA's ability to provide agency records managers and records management staff with tools to assist them in identifying and managing their records is critical to ensuring that important records documenting the rights of citizens, the actions of the Federal Government, and information of historical relevance is not lost. Equally critical are the principles outlined in the OPEN Government Directive, issued by the Obama Administration in December 2009. This Directive outlined the need for transformation in Government, where transparency, participation, and collaboration are the principles by which Government operates. Throughout FY 2010, we conducted activities directly in support of our mission with an eye toward advancing the principles of Open Government.

In FY 2010, we made available the Records Control Schedule (RCS) web site, found at <http://www.archives.gov/records-mgmt/rcs/>. This tool provides access to unclassified NARA-approved records schedules for Federal agency records dating back to 1973. As records schedules are approved, we will move them to the web site for six months for access to newly approved schedules. This service provides agencies with a repository of information to facilitate rapid records schedule development, enables cross records management program comparisons for effectiveness, and provides an active list of all approved schedules for ongoing inventory development.

In addition, we developed guidance for agencies on technology solutions, such as cloud computing, to inform agencies of records management implications when considering these types of products. Other guidance produced this year included *FAQs about Media Neutral Schedules*; *NARA's Report on Federal Web 2.0 Use and Record Value*; and *NARA's Electronic Records Project Report*, an assessment of agency progress in scheduling their electronic records.

We updated our Certificate of Federal Records Management Training program, updated training materials to reflect regulatory and procedural changes, and improved instructional design. We recognize that advances in technology, changes in laws and regulations, and other factors can influence how agencies manage their records. Because of this, ongoing records management training is an integral part of effective records management. We strive to identify and address challenges specifically impacting the Federal Government, by providing guidance and by training records managers throughout the Federal Government.

The NARA National Records Management Training Program provides a curriculum designed to enhance and improve the knowledge and skills of Federal records managers. However, because face-to-face classroom instruction often presents schedule or logistic difficulties, we increased the availability of distance learning, allowing us to circumvent these problems. Our offerings of distance learning training classes, including self-paced instruction and those offered through instructor-led Webinars, jumped from 12 in FY 2009 to 26 in FY 2010.

Although we experienced an unusually high increase in the number of Federal agency staff attending records management courses in FY 2009, our FY 2010 attendance follows the steady growth pattern as seen in prior years. More than 1,400 people have received professional records management certification since 2005.

<b>Performance Data</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<i>Performance target for percent increase in the number of Federal agency customers that are satisfied with NARA records management services.</i>	10	10	–	10	–
Percent of Federal agency customers that are satisfied with NARA records management services.	78	81	–	81	–
Percent of records management training participants taking a NARA records management course for the first time.	35	43	39	63	36
Number of records management training participants who are taking a NARA records management course for the first time.	1,484	2,162	2,524	7,625	2,578
Number of Federal agency staff receiving NARA training in records management and electronic records management.	4,234	5,047	6,422	12,114	7,073
Number of records management training participants that NARA certified this year.	275	269	310	242	282
<i>Performance target for the percent increase in the number of distance learning course offerings.</i>	–	–	–	–	5
Percent increase in the number of distance learning course offerings.	–	–	–	–	133
Median time for records schedule items completed (in calendar days).	334	284	315	302	330
Average age of schedule items completed (in calendar days).	374	452	443	416	495
Number of schedule items completed.	3,884	2,983	3,282	3,221	2,269
Number of open schedules in the backlog.	358	428	575	1,053	1,042

*FY 2011 Performance Plan Evaluation* We will begin work on a 5-year schedule to revamp existing courses to improve content, delivery and interactivity. We will begin

development of online training content as we continue development of Webinars.

1.3 FEDERAL RECORDS CENTER PROGRAM

**FY 2010 Objectives**

- Make ready 97 percent of Federal agency reference requests within the promised time.
- Answer 80 percent of written requests to the National Personnel Records Center (NPRC) within 10 working days.
- Increase customer satisfaction at NPRC by 3 percent.
- Deploy ARCIS in remaining records centers.
- Implement Increment 3 of ARCIS at Federal Records Centers.
- Increase the number of records management transactions serviced by the Federal Records Centers Program (FRCP) by 1 percentage point.

**Results**

- ✓ We provided 98 percent of reference requests within the promised time.

*"Keep up the excellent work."*

- ✓ We answered 69 percent of written requests to the National Personnel Records Center (NPRC) within 10 working days.

*"I am proud of the service you provide to veterans."*

- ✓ We achieved a 2 percent increase in customer satisfaction at the NPRC.
- ✓ We deployed ARCIS to the National Personnel Records Center, the final Federal Records Centers in our deployment of the system.
- ✓ We developed and tested additional functionality such as a customer portal and a billing module in ARCIS.
- ✓ We exceeded our target and increased the number of records management transactions serviced by the Federal Records Center program by 2.45 percent.

*Discussion* NARA's reimbursable Federal Records Center Program (FRCP) plays a vital role in the lifecycle of Federal records. The program offers a host of services to assist Federal agency customers with the transfer, storage, and service of records to ensure the protection and availability of non-current records. The growth that we experienced in the past year resulted from efforts to market our products and services, outreach activities, and our responsiveness to customer needs.

We did not reach our target to respond to written requests to the National Personnel Records Center within 10 working days. Our delay in meeting the 10-day response time resulted from inefficient workflows and business processes, and steady increases in the number of requests for military personnel records. Our workflows involved the daily transport of large volumes of requests and records from our National Personnel Records Center Annex, an underground facility in Valmeyer, IL, to the technicians at the Military Personnel Records facility and the Civilian Personnel Records facility, both at different locations in St. Louis, MO.

To improve our business processes, we implemented our Case Management and Reporting System (CMRS) at the annex to process and manage requests for medical records transferred to NPRC from military treatment facilities. CMRS offers electronic delivery of requests between buildings, caseload queue management and assignment tracking. In addition, to minimize a growing backlog, we hired additional military correspondence technicians. We also relocated civilian correspondence technicians from the CPR to the annex, which will significantly reduce the amount to be transported. We are beginning to see an improvement in our average response times, and expect to see them continue next year.

Eighty-six percent of NPRC customers are satisfied with NPRC services, and although we improved, we fell modestly below our projected target. With the timeliness of responses directly relating to customer satisfaction, we expect our approach to improve responsiveness will also impact customer satisfaction.

The Archives and Records Center Information System (ARCIS) is a system designed to electronically manage records storage and improve the efficiency of storage processes in Federal records centers. It supports streamlined business processes and at full implementation will allow customers to receive real-time, web-enabled access to their holdings and transaction information. In FY 2010, we deployed ARCIS to the National Personnel Records Center (NPRC), completing our deployment to all Federal Records Centers. We also made substantial progress on implementing the third increment of this software. In addition, we completed development and testing of the ARCIS customer portal in readiness for customer access in FY 2011.

<b>Performance Data</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<i>Performance target for percent of customers retained by Federal Records Centers annually.</i>	—	98	98	98	—
Percent of customers retained by FRC's annually.	—	100	100*	100	80
Number of customers (agreements) served annually.	—	142	250	250	204
Number of new customers (agreements) per year.	—	3	0	0	3
<i>Performance target for of records management transactions growth in the Federal Records Center Program.</i>	—	—	—	—	1
Percentage point growth in the number of records management transactions serviced by the Federal Records Center Program.	—	—	—	—	2.5
<i>Performance target for percent of customers satisfied with NPRC services.</i>	—	—	—	<i>Establish baseline</i>	88
Percent of customers satisfied with NPRC services.	—	—	—	85	86
<i>Performance target for percent of Federal agency reference requests ready within the promised time.</i>	95	95	96	97	97

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**Performance and Accountability Report, FY 2010**

Percent of Federal agency reference requests ready within the promised time.	98	97	97	97	97
Percent of customers with appointments for whom records are waiting at the appointed time.	99.8	99.9	99.9	99.9	99.8
<i>Performance target for percent of written requests to the National Personnel Records Center answered within 10 working days.</i>	–	75	75	80	80
Percent of written requests to the NPRC answered within 10 working days.	67	65	74	69	69
Number of written requests to the NPRC answered (in thousands).	1,110	1,139	1,216	1,314	1,421
Number of written requests to the NPRC answered within 10 working days (in thousands).	739	740	854	845	908
Number of written requests for civilian records to the NPRC answered within 10 working days (in thousands).	179	174	167	94	76
Number of written requests for military records to the NPRC answered within 10 working days (in thousands).	559	566	687	751	832
<i>High Priority Measure: Performance target for percent of requests for military personnel records answered in 10 working days or less (target 85% by 2012).</i>	–	–	–	–	85
Percent of requests for military personnel records answered in 10 working days or less.	61	59	72	70	73
<i>Performance target for requests for military service separation records at the NPRC answered within 10 working days.</i>	95	95	–	–	–
Percent of requests for military service separation records at the NPRC answered within 10 working days.	91	90	95	95	94
Number of military service separation records (DD-214) requests answered (in thousands).	401	426	483	546	523
Average price per request for military service separation records.	\$29.70	\$29.70	\$30.10	\$31.70	\$31.70

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

*FY 2011 Performance Plan* We will provide work to improve our responsiveness to written requests to the National Personnel Records Center. We will expand ARCIS to include workflow engineering, support for local billing arrangements, and continued enhancements to the customer portal.

1.4 PRESIDENTIAL TRANSITIONS

**FY 2010 Objectives**

References LRPT 2.2

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

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

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

### **Long-Range**

#### **Performance Targets**

- 2.1 By 2016, 85 percent of scheduled transfers of archival records are received at the scheduled time.
- 2.2 By 2016, 95 percent of archival holdings have been processed to the point where researchers can have efficient access to them.
- 2.3 By 2012, 90 percent of agency declassification reviews receive high scores as assessed by the Information Security Oversight Office (ISOO).
- 2.4 By 2016, NARA archival holdings of 25-year-old or older records are declassified, exempted, or referred under the provisions of Executive Order 13526.
- 2.5 By 2016, 100 percent of archival holdings are stored in appropriate space.
- 2.6 By 2014, 100 percent of NARA records center holdings are stored in appropriate space.
- 2.7 By 2016, less than 50 percent of archival holdings require preservation action.

**FY 2010 Resources Available to Meet This Goal:** \$209,769,000; 749 FTE

### 2.1 ACCESSIONING RECORDS

#### **FY 2009 Objectives**

- Identify and schedule 10 percent more Federal agency electronic records series or systems than were scheduled in FY 2009.
- 30 percent of archival records transfers arrive at NARA on time.
- 100 percent of agencies have registered schedules with NARA covering all existing electronic records and systems.
- Agencies submit 10 percent more records schedules using ERA than in FY 2009.

**Results**

- ✓ We scheduled 820 Federal agency electronic records series or systems reaching 94 percent of our goal.
- ✓ We received 27 percent of targeted traditional and electronic archival records on time.
- ✓ We published a semi-annual report titled *NARA's Electronic Records Project, Summary Report FY 2005 - FY 2009* on agencies' progress in scheduling their electronic records and systems.
- ✓ We received six agency records schedules submitted through ERA.

*Discussion* Our commitment to ensuring access to the records of our nation depends heavily on getting the records transferred to NARA on schedule. Without the proper identification, schedule, disposition, and transfer of these important records to the National Archives, the Federal Government is vulnerable to increased risks.

To promote and facilitate the timely transfer of records to NARA, we established a deadline of September 2009 in compliance with section 207(e) of the E-Government Act of 2002 for agencies to submit records schedules to NARA for all their existing electronic records. By the deadline, we received responses from 67 percent of 240 agencies. Of those agencies that responded, we concluded that 25 percent had medium to high levels of risk in their records management programs. We delivered a summary report on *NARA's Electronic Records Project covering FY 2005 - FY 2009* that documented the strategies and results of NARA's concerted effort to assist agencies in scheduling and transferring permanent electronic records to NARA. The report highlighted the continued need to focus resources on exploring new strategies, techniques, and partnerships to further agency compliance with the requirements of the E-Government Act of 2002.

In addition, we met 94 percent of our goal to schedule more electronic records series and systems. This is the first year since the beginning of the project that we did not exceed the goal and we believe the explanation is twofold. In an effort to meet the September 2009 deadline, agencies submitted the less complex schedules to NARA first, resulting in the more complex schedules needing to be processed by NARA in FY 2010. In response, we did not increase staff resources sufficiently to fully meet our target.

Part of the strategy for improving customer satisfaction in the processes by which Federal records are identified, appraised, scheduled, and tracked while in agency custody is the Electronic Records Archives (ERA), the tool that supports the scheduling and accessioning of Federal records. We expect that as more records schedules and processing are performed through our Electronic Records Archives (ERA), efficiencies will be realized. We began a pilot with four agencies for ERA's initial operating capability deployment in FY 2008 and have expanded the pilot to more than 20 agencies. However, the number of agencies submitting schedules through ERA continues to be modest. In FY 2011, as we finish ERA development activities, our priorities will be to focus our efforts on communication and specifically user adoption of this system.

<b>Performance Data</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<i>Performance target for percent of high value archival records transferred to NARA at the scheduled time.</i>	–	–	–	20	30
Percent of transfers of high value archival records transferred to NARA at the scheduled time.	–	–	–	21	27
Percent of high value traditional archival records transferred to NARA at the scheduled time.	–	–	–	6	24
Percent of high value archival electronic records transfers arriving at NARA on time.	–	–	40	44	35
<i>Performance target for percent increase in records schedules submitted using ERA.</i>	–	–	–	–	10
Percent increase in records schedules submitted using ERA.	–	–	–	–	–
<i>Performance target for percent increase in number of Federal agency electronic records series or systems scheduled than prior year.</i>	–	10	10	10	10
Percent increase in number of Federal agency electronic records series or systems scheduled than prior year.	10	33	31	60	3
Number of Federal agency electronic records series or systems scheduled.	612	423	496	794	802

*FY 2011 Performance Plan Evaluation* We will continue working to improve the timeliness of records transfers to NARA while we continue to offer training and assess opportunities to use social media to reach a broader audience. As more agencies migrate to ERA, we will establish a baseline for records schedules submitted using ERA.

## 2.2 PROCESSING RECORDS

### **FY 2010 Objectives**

- Increase by 10 points the percent of archival holdings processed to where researchers can have efficient access to them.
- Train new archival staff in the processing of Presidential records.

### **Results**

- ✓ Forty-seven percent of archival holdings are processed and available for researcher access.
- ✓ We completed Individual Development Plans and assigned mentors to new archival staff in Presidential Libraries.

*Discussion* Eliminating the backlog of unprocessed archival records is an agency priority. With accessions increasing in number or volume each year, we have shifted and increased resources, refocused priorities, and redefined business processes to manage the workload. Processing this backlog of records will result in increased access for the public, greater intellectual control of the holdings, and enhanced preservation and physical protection of the records.

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

We fell short of meeting this year’s target to increase processed archival holdings available for access by researchers by 10 percentage points. While we have steadily improved processing efficiencies and are processing more holdings faster than prior years, the volume of accessions continues to rise, making it difficult to meet the target. Although we have streamlined our business processes to process holdings more efficiently, and adjusted resources to support this initiative, we will continue to be challenged in meeting our processing targets.

In FY 2010, we hired new archivists with the technical skills, organizational competencies, and knowledge needed to address our increasing workload. The staff was assigned to NARA’s archival development program (ADP) where, based on Office of Personnel Management (OPM) policy, they are required to complete 160 hours of training over the two-year period of their program. We designed training that introduces the archivists to each program office and its work, explains administrative issues and procedures, and introduces them to partners and outside stakeholders.

Processing Presidential records is central to the operations of Presidential Libraries and key to making Presidential records available to the public. With the combined requirements of the Presidential Records Act, the Freedom of Information Act and applicable Executive Orders, the archival processes for Presidential records vary significantly from the processes used to make Federal records available to the public.

Within our Presidential Library system, responding to FOIA requests has been the primary mode for processing Presidential records. Various complexities, such as multiple reviews to ensure the nondisclosure of personal privacy information, affect the efficiency of processing electronic records. We have implemented several steps to streamline the review process and reduce FOIA backlogs to simplify electronic records processing. With the addition of new archival positions for the existing Libraries with Presidential records – Reagan, Bush 41, and Clinton we are able to dedicate staff to both FOIA and systematic processing. We anticipate a significant increase in the Libraries’ rate of processing.

<b>Performance Data</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<i>Performance target for percentage point increase in the number of archival holdings that have been processed to the point where researchers can have efficient access to them.</i>	–	<i>Establish baseline</i>	10	10	10
Percentage point increase in the number of archival holdings processed to the point where researchers can have efficient access to them.	–	–	<i>Establish baseline</i>	11	10
Percent of archival holdings processed to the point where researchers can have efficient access to them.	–	21*	30	41	47

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

*FY 2011 Performance Plan Evaluation* We will continue to assess how changes in processing operations and increased staffing improve processing productivity. In our Presidential Libraries, we will continue to train new staff in FOIA and systematic processing.

2.3 GOVERNMENT-WIDE DECLASSIFICATION

**FY 2010 Objectives**  Sixty-nine percent of agency declassification reviews receive high scores as assessed by ISOO.

**Results**  Our assessment of agency declassification review programs identified 67 percent of agencies receiving a high score.

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

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

At the end of FY 2009, ISOO offered assistance to agencies with the lowest scores. We provided this assistance to two agencies and they successfully climbed from the lowest category in FY 2009 to the highest in FY 2010.

Throughout the year ISOO provided additional training by meeting with agency declassification reviewers, instructing them on best practices, and providing guidance that limited or eliminated previously identified ISOO concerns. ISOO also provided specific training on changes concerning declassification policy based on the issuance of Executive Order 13526 "*Classified National Security Information*" to more than 130 agency representatives and began an effort to review all agency regulations per the new requirement.

<b>Performance Data</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<i>Performance target for percent of agency declassification reviews that receive high scores as assessed by ISOO.</i>		–	<i>Establish baseline</i>	51	69
Percent of agency declassification reviews that receive high scores as assessed by ISOO.	–	–	36	53	67
Number of agency declassification reviews that receive high scores as assessed by ISOO.	–	–	8	10	10
Number of agency declassification reviews assessed by ISOO.	–	–	22	19	15
Number of pages declassified government-wide (in millions of pages).	37.6	37.2	31.4	28.8	TBD

*FY 2011 Performance Plan Evaluation* ISOO will continue to implement the requirements of Executive Order 13526. We will also continue to issue formal notifications that seek to

improve the classified national security information program by disseminating consistent guidance to agencies on a periodic basis. We will review agency declassification programs and recommend ways to improve the quality of reviews.

#### 2.4 NARA DECLASSIFICATION

##### **FY 2010 Objectives**

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

##### **Results**

- ✓ We increased the pages completed in the NDC process by 71.4 percent.
- ✓ We scanned more than 530,000 classified records eligible for declassification.

*Discussion* During the past few years, in cooperation with other agencies, NARA established an Interagency Referral Center and a quality assurance team under the banner of a National Declassification Initiative, to provide a systematic approach to the declassification process for classified Federal records. Since then, Executive Order 13526, issued by the President on December 29, 2009, the NDI became the National Declassification Center (NDC). The NDC is mandated by the President to provide the public with as many declassified records as quickly as possible while maintaining national security. Agencies as well, are focusing their efforts and limited resources on the significant implementation requirements of the Executive Order and 32 CFR Par 2001, and in meeting the December 31, 2013, deadline concerning more than 400 million pages at NARA, requiring action.

NARA, charged with operating the NDC, retains physical and intellectual control of classified records. The NDC provides access for other government agency reviewers to adjudicate their equities within these records while allowing NARA to prioritize the order in which records are processed to handle records of high research interest in a timely manner.

To streamline processes in the NDC, NARA arranged with DOD's Lean Six Sigma Program Office to conduct a business process reengineering (BPR) study to enhance efficiency of the declassification process. The BPR concluded in the spring and new work processes were in place by mid-summer. Processes were redesigned to significantly decrease the amount of quality assurance review, facilitate a more efficient declassification workflow, and manage risks.

Following the principles of Open Government, we developed a draft Prioritization plan, and using social media tools as well as a public face-to-face open forum hosted by the Archivist, we invited input from agencies, the historical community, and the public on establishing declassification priorities. We established a web site and created a *NDC Blog* to encourage and facilitate public comment. Our first semi-annual NDC status report highlighted the release of nearly 8 million pages of material to the public.

For classified materials in the Presidential Library system, we continued our partnership with the Central Intelligence Agency (CIA) called the Remote Archives Capture (RAC) project. We use this vehicle to facilitate declassification review and to comply with E.O. 13526 by ensuring that we refer all 25-year-old classified documents to the appropriate equity agencies. The RAC project provides for the scan and capture in digital format of classified materials held by the Presidential Libraries throughout the country for review in a centralized location in Washington. 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. We successfully scanned 530,719 pages of Presidential records eligible for declassification, exceeding our goal of 500,000 pages.

<b>Performance Data</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<i>Performance target for percentage point increase in the number of pages completed in the National Declassification Center process.</i>	–	–	–	10	10
Percent increase in the number of pages completed in the NDC process.	–	–	–	–	71
Number of pages completed in the NDC declassification processing effort (in millions).	–	–	–	5.6	9.6*
Annual number of Federal pages declassified (in millions).	–	–	–	11.7	8.7*
<i>Performance target for annual number of Presidential pages scanned (in thousands).</i>	500	500	500	500	500
Annual number of Presidential pages scanned (in thousands).	506	512	519	545	531

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

*FY 2011 Performance Plan Evaluation* NARA plans to manage and improve processes to eliminate our declassification backlog by the December 2013 deadline per the President’s memorandum of December 29, 2009, and in accordance with Executive Order 13526.

2.5 ARCHIVAL HOLDINGS IN APPROPRIATE SPACE

**FY 2010 Objectives**

- Complete 50 percent of site work for first phase of Roosevelt Library renovation.
- Complete design for second phase of Roosevelt Library renovation.
- Update comprehensive space study for Johnson Library renovation.
- Complete construction of Nixon Library expansion.

**Results**

- We awarded the construction contract for Phase I of the site work for the Roosevelt Library renovation.
- We completed 75 percent of the design work for Phase II of the Roosevelt Library renovation.

- ✓ We prepared a draft space study report for the Johnson Library renovation.
- ✓ We completed all construction for the Nixon Library renovation.

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

The renovation of the aging Franklin D. Roosevelt Library will provide environmentally appropriate, safe, and secure space for the long-term care of archival and artifact collections. The renovation also improves conditions for the staff, researchers, and visitors and helps to increase productivity and satisfaction of the facility as a place for work and research. In FY 2010, NARA awarded a construction contract for the first phase of the Roosevelt Library renovation. The general site work to support new mechanical and electrical equipment is on schedule for completion in 2011.

We also completed a substantial portion of the design work for the second phase of construction at the Roosevelt Library. This work includes design for the first level of the Library. Obstacles in completing the design for Phase II resulted from delays in developing the exhibit design. The impact to the schedule is the completion of the design will move to early FY 2011.

A space planning study was conducted at the Johnson Library. With the exception of repairs to the plaza and replacement of several air handling units in the building, this Library of nearly 40 years, has not undergone any significant renovations. Although our report of the space study is in draft, our findings from the space survey indicate that the Johnson Library is due for a major renovation and reconfiguration of space to improve space utilization and efficiency of operations. We expect to complete the study in early FY 2011.

The Nixon Presidential Library allows us to advance public access to materials of the highest historical significance, streamline existing archival and museum activities by combining operations in one location, and preserve these invaluable historical resources in appropriate and secure space. The Library completed a renovation project of the existing Nixon Library in Yorba Linda, California. The renovation was completed in FY 2007. We transferred Nixon Presidential holdings to that facility from two of our facilities. With the transfer of artifact holdings and additional staff to operate the Library, we encountered inadequate storage space and required an additional expansion to hold all the materials stored in other archival space. We successfully completed the expansion in FY 2010.

We are proud to receive the GreenGov Presidential Award for Leadership in Environmental, Energy, and Economic Performance from the White House Council on

Environmental Quality. NARA was cited in the “Lean, Clean and Green” category and designated as one of the most energy efficient and environmentally friendly places to work in the United States. Recognized for our extraordinary achievement in implementing sustainable infrastructure and operational changes at our National Archives Building in College Park, saving taxpayer money, and eliminating carbon emissions, we remain steadfast in our commitment to maintain and improve our facilities around the country. Our implementation of energy-saving measures such as solar panels, digital air handlers, and light switches replaced by motion sensors, resulted in a 28 percent reduction in energy needs and a 14 percent reduction in water consumption – shaving off \$400,000 from our energy bill.

<b>Performance Data</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Percent of NARA archival traditional holdings in appropriate space.	57	80	81	82	82
Number of archival traditional holdings (in thousands of cubic feet).	3,296	3,346	3,729	3,937	4,032
Percent of artifact holdings in appropriate space.	42	42	40	37	37
Number of artifact holdings (in thousands).	544	544	582	628	628
Percent of electronic holdings in appropriate space.	100	100	100	100	100
Number of electronic holdings in appropriate space (in millions of logical data records).	4,611	4,737	5,523	6,704	6,944
<i>High Priority Measure: Percent of archival holdings in NARA 1571 compliant space (target 85% by 2012).</i>	57	80	81	82	–
Percent of archival holdings in NARA 1571 compliant space.	–	–	–	–	82
<i>Performance target for cost of compliant archival storage space per cubic foot of traditional holdings stored (adjusted for inflation).</i>	–	\$5.78	\$5.84	\$6.06	\$5.84
Cost of archival storage space per cubic feet of traditional holdings stored.	\$6.65	\$6.20	\$5.85	\$5.83	\$6.13

*FY 2011 Performance Plan Evaluation* We will continue to focus on maintaining storage facilities that meet archival requirements while keeping costs for archival storage as low as possible. We will complete various stages of renovation activities at the Roosevelt and Johnson Presidential Libraries, to improve services to researchers and the public. We will improve visitor flow and access as part of the National Archives Experience as well as open the National Personnel Records Center facility in St. Louis County.

**2.6 NARA FEDERAL RECORDS CENTER HOLDINGS IN APPROPRIATE SPACE**

**FY 2010 Objectives**

- Move remaining holdings into National Personnel Records Center Annex.

**Results**

- ✓ We successfully moved a majority of the temporary holdings slated for storage in the NPRC Annex in Valmeyer, IL, from our Military Personnel Records and Civilian Personnel Records facilities.

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

In FY 2008, we completed a lease agreement for a National Personnel Records Center Annex to house temporary records from our Military Personnel Records Center (MPR) and Civilian Personnel Records Center (CPR) in space that is compliant with the Federal regulatory standards for records storage. We moved into the new Annex, which is located in underground space in Valmeyer, IL, in FY 2009. During FY 2009, due to continued high demand for Federal Records Center storage space, we transshipped low activity records from other regional facilities to the Annex, adjusting our move plans for remaining MPR and CPR records accordingly. In FY 2010, we leased an additional 2.5 bays of storage space in the Annex to accommodate the remaining MPR and CPR records originally scheduled to move there. That move will be completed in FY 2011.

<b>Performance Data</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<i>High Priority Measure: Performance target for percent of NARA records center holdings stored in appropriate space (target 85% by 2012).</i>				100	—
Percent of NARA records center holdings stored in appropriate space.	—	—	—	—	60
Percent of NARA records center facilities certified as meeting the 2009 regulatory storage standards.	9	29	33	48	48
Volume of records center holdings (cubic feet in millions).	25.1	25.7	26.6	27.2	27.6
Storage price per cubic foot for records center holdings.	\$2.28	\$2.28	\$2.40	\$2.40	\$2.52

*FY 2011 Performance Plan Evaluation* Our Federal Records Center Program continues to implement infrastructure upgrades and compliant storage solutions as required for Federal temporary records.

2.7 PRESERVATION  
**FY 2010 Objectives**

- Appropriately treat and remove 85,000 cubic feet of NARA’s at-risk archival holdings from preservation backlog.
- Deploy Holdings Management System (HMS) in the National Archives in Washington, DC, and in two regional facilities.

**Results**

- ✓ We treated and removed 56,155 cubic feet of at-risk archival holdings from the preservation backlog.
- ✓ We deployed HMS in the National Archives in Washington, DC, and in the Boston and Philadelphia regional archive facilities.

*Discussion:* NARA’s mission is rooted in preserving and providing access to the permanent records of the Federal Government – now, and in the future. Approximately two-thirds of NARA’s textual and non-textual records are at risk of not being preserved and available for future generations. We are tackling a wide variety of formats and media in our holdings, from paper records, videotapes, and microfilm, to maps, charts, and artifacts. We consistently examine our holdings to assess their preservation needs,

provide storage conditions that retard deterioration, and treat, duplicate or reformat records at high risk for loss or deterioration. Our at-risk records include acetate-based still photography and microfilm, audio recordings that require obsolete equipment, videos, brittle and damaged paper records, and motion pictures.

This year we treated 109,940 cubic feet of at-risk holdings and removed more than 56,000 cubic feet from our at-risk preservation backlog. Decreasing the backlog is often met by challenges due to unusually large increases in new at-risk records, increased demand for digitization, and large increases or shifts in the public demand for use of at-risk records. Although these challenges weakened our ability to meet our target, we were able to surpass the number of at-risk removed from the backlog in FY 2009. We anticipate that these factors as well as possible preservation work on some of our classified special media holdings will impact our progress against this backlog in FY 2011.

In our Presidential Libraries, many of the at-risk holdings are audiovisual materials that offer priceless insight into the lives of Presidents and their families. These materials typically require more resource intensive preservation treatments, however, most of the preservation projects for these nontextual materials result in small volumes of holdings treated.

To ensure efficiency in controlling holdings and targeting Federal records with the greatest preservation needs, NARA has developed a Holdings Management System (HMS). We developed this system to address long-standing issues and inefficiencies that we experience with storage and management of hardcopy archival holdings. HMS provides a common, integrated solution that when fully deployed, will provide greater physical control over non-electronic archival holdings across all NARA facilities. We are using the HMS to document risk, enhance security by tracking location and use, track preservation actions completed, and other critical information about all of NARA's non-electronic archival holdings.

HMS was implemented for textual units at the National Archives in College Park in FY 2009. This year, we deployed HMS to the National Archives Building in Washington, DC and to our regional archive locations in Boston and Philadelphia. The initial implementation includes space management, circulation of records to staff, preservation risk assessment, and work requests for preservation and other activities. We are challenged with migrating legacy data, however, as deployments of HMS are staged across our facilities, we build on lessons learned to reduce risks and facilitate each subsequent deployment. We remain diligent in our efforts to effectively process and manage our holdings so they are available and accessible to the public for years to come.

<b>Performance Data</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<i>Performance target for percent of archival holdings that require preservation action.</i>	–	<i>Establish Baseline</i>	≤65	≤65	≤65
Percent of archival holdings that require preservation action.	–	65	65	65	64
Backlog of holdings requiring preservation action (in thousands of cubic feet).	2,182	2,163	2,425	2,571	2,595
At-risk archival holdings that received preservation treatment this year (thousands of cubic feet).	28	56	125	116	110
Cumulative volume of at-risk archival holdings in cold storage (thousands of cubic feet).	90	90	91	93	94
<i>Performance target for NARA's at-risk archival holdings</i>	–	–	–	–	85

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<b>Performance Data</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<i>treated and removed from preservation backlog this year (thousands of cubic feet).</i>					
NARA's at-risk archival holdings treated and removed from preservation backlog this year (thousands of cubic feet).	–	–	91	46	56

*FY 2011 Performance Plan Evaluation* We will continue to treat our at-risk records to prevent loss of historically, valuable information in addition to conducting preservation reviews at six NARA locations. We will deploy HMS at three additional regional archives.

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

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

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

**FY 2010 Resources Available to Meet This Goal:** \$98,178,000; 96 FTE

#### 3.1 PROCESSING ELECTRONIC RECORDS

- FY 2010 Objectives**
- Sustain 80 percent of archival electronic holdings processed to the point where researchers can have efficient access to them.
  - Complete 80 percent of data migration of holdings from legacy systems migrating to the initial ERA system for Federal records.
- Results**
- ✓ We sustained 88 percent of our archival electronic holdings processed to the point where researchers have efficient access to them.
  - ✓ We completed the data migration of 80 percent of holdings from legacy systems migrating to the ERA Base system for Federal records.

*Discussion* 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.

Although the number of fully processed accessions of electronic holdings increased by 8 percent in FY 2010, we maintained last year's performance of sustaining 88 percent of archival electronic holdings processed and available for researcher access.

We have implemented the Electronic Records Archives (ERA) to address the challenge of this growing volume of electronic records. We identified an initial set of legacy electronic holdings accessions and have migrated 80 percent of those electronic holdings along with related metadata in the system. The legacy migration workflow proved challenging with unanticipated problems occurring in migrating the related legacy metadata. We will use the lessons learned through these trials when preparing for the next set of legacy migrations.

As of FY 2010, our ERA storage volume was approximately 83 terabytes. In FY 2011, we anticipate transfers and accessions of electronic holdings from the Census Bureau with records from the 2010 Census to include approximately 500 terabytes of data.

<b>Performance Data</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<i>Performance target of percent of NARA's electronic holdings stabilized.</i>	–	80	80	85	85
Percent of NARA's electronic holdings stabilized.	89	89	90	88	86
<i>Performance target for percent of archival electronic accessions processed to the point where researchers can have efficient access to them.</i>	80	95	80	80	80
Percent of archival electronic accessions processed.	80	81	86	88	88
Number of accessions received.	2,010	2,153	2,328	2,476	2,674
Number of accessions processed.	1,615	1,738	2,004	2,188	2,349
Unprocessed accessioning backlog (in accessions).	395	415	324	288	325
Median time (in calendar days) from the transfer of archival electronic records to NARA until they are available for access.	259	467	2,127*	1,842*	2,209*

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

*FY 2011 Performance Plan Evaluation* We will continue the migration of data from the legacy media to ERA Base. In addition, we will strive to process new transfers of electronic records using both ERA and our legacy processes for transfers not eligible for ERA processing.

### 3.2 PRESERVING ELECTRONIC RECORDS

#### **FY 2010 Objectives**

- Define criteria and policy for establishing planned levels of service to preserve and make available archival electronic records.

#### **Results**

- ✓ We developed a draft of our Transformation Framework and Model and a draft of our Transformation and Significant Properties principles.

*Discussion* NARA currently provides one level of service for its electronic records: we preserve the records in the format in which we receive them, ensuring that the data remains unchanged and uncorrupted over time. Our focus this year was in developing the policy and system capabilities that are preconditions to additional levels of service, including transformation of electronic records to mitigate the risk of the original format becoming obsolete and the design of our public access interface. Since we cannot yet provide levels of service above the basic one and are still developing the system that will provide them, we have not yet fully defined the criteria for future levels of service or the criteria for selecting a level of service for a specific set of records. However, we have done much of the work that will allow us to define additional levels as additional capabilities come online.

We developed a Transformation Framework that will guide the transformation of electronic records in ERA. The Transformation Framework includes preservation principles that deal with concepts such as the authenticity of records and the treatment of original records. Together with the framework, we developed our Transformation and Significant Properties principles. These are the principles NARA will use in

transforming records from one format to another. The document addresses the significant properties that must be preserved as documents are transitioned from one format to another – to ensure continued accessibility, usability, and meaning of records. The steps NARA needs to take during the lifecycle management of these records are also included.

To further evaluate these transformation principles, we completed a prototype of ERA transformation functionality that will enable us to easily evaluate transformation tools and approaches. We benchmarked our approach with other institutions. Using the prototype, we were able to ingest, characterize, and transform records for access or preservation purposes and validate that the transformations we created were authentic. Transformations of MS Word documents to Adobe PDF; MS Excel to both PDF and Open Document Spreadsheet (ODS) formats; and EBCDIC to ASCII demonstrated the successful capabilities of the prototype.

*FY 2011 Performance Plan Evaluation* We will move the ERA transformation prototype into production and integrate the first of the transformation utilities, EBCDIC to ASCII.

### 3.3 COST OF ELECTRONIC RECORDS MANAGEMENT

- FY 2010 Objectives**
- Deploy preservation framework design, as well as prototypes for specific formats.
  - Deploy online public access functions for ERA system.
  - Expand ERA pilot to at least 20 and up to 29 additional Federal agencies.
  - Deploy a Congressional instance of ERA.

#### **Results**

- ✓ We conducted a demonstration of the preservation framework prototype.
- ✓ We deployed an online public access prototype to NARA staff.
- ✓ We conducted Designated Agency Representative (DAR) training to representatives from 21 different agencies.
- ✓ We accomplished a major milestone with the deployment of Congressional Records Instance of ERA.

*Discussion* We successfully developed and demonstrated a transformation framework prototype based on the principles in our Transformation Framework outlining criteria for long-term preservation and access to permanent electronic records in ERA. The prototype allowed us to move beyond the conceptual discussion of electronic record transformation to the implementation of demonstrated capability. This prototype was designed to model the capability to plan, execute, and monitor a preservation process on a set of records, store a preservation copy, identify relationships to previous versions of a

record, and provide access to the preservation copy of the records. This is the first step in ensuring the accessibility of electronic records in ERA, regardless of whether the software used to create the record is still available. We conducted eight demonstrations of the transformation prototype and received positive feedback from our stakeholder audience.

NARA's flagship initiative in our Open Government plan is to develop online services to meet the 21<sup>st</sup> century needs of the public. NARA's Online Public Access (OPA), is our first step in providing a resource with an improved federated search capability and an enhanced display. The Online Public Access resource will be the online public portal to ERA. The OPA prototype explores new ways to provide public access to NARA's records, and it demonstrates a new concept for the search and display of electronic records, and employs innovative user interface functions that will be needed once fully deployed. We offered NARA staff access to the prototype of (OPA) and received useful feedback that we will incorporate in the general public release at the end of 2010. This release will allow those accessing from the public to conduct simple and advanced searches across many types of data and records. For the first time, NARA will be providing online access to the 1940 Census images through OPA in FY 2012.

We set a goal to expand ERA to at least 20 agencies in FY 2010. We conducted a pilot centered around goals to evaluate ERA functionality, understand the effectiveness of the web based training on ERA, and analyze the efficacy of the Designated Agency Representative (DAR) process. More than 20 agencies participated in the DAR training that offered instruction for agency representatives who will manage ERA accounts for their agencies. To increase agency participation and prepare for mandatory Federal agency use, we will focus our attention in FY 2011 on accelerated user adoption of ERA.

The White House announced recently that ERA was one of OMB's high priority IT investments. We are targeting a mid-2011 timeframe for demonstrating our success in making the system ready for use by all agencies. By mid-2012, we fully anticipate that ERA will be required for all Federal agencies to transfer their permanent electronic records to NARA.

We achieved a significant milestone in the deployment of the Congressional Records Instance of (CRI) ERA. This specialized instance of ERA supports the management and access to Congressional assets. The Congressional Records Instance provides ingest capability and maintenance of defined collections of assets from Congress. The instance currently houses approximately 150,000 megabytes of records.

<b>Performance Data</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<i>Performance target for megabyte cost to manage archival electronic records.</i>	–	–	–	<i>Establish baseline</i>	<\$0.36
Per megabyte cost to manage archival electronic records.	\$0.43	\$0.37	\$0.39	\$0.36	\$0.15
*Number of terabytes of archival electronic records managed by NARA (includes pre-acquisitioned electronic records).	16.8	17.8	18.2	19.2	100.4**

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Number of terabytes of archival electronic records managed in ERA (includes pre-acquisitioned electronic records).	-	-	-	77	83
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*\* These figures represent terabytes in the sense more specifically called tebibytes (TiB), the International Electrotechnical Commission standard unit based on a multiplier of 1024 bytes as a measure for a Kilobyte, as opposed to the International System of Units (SI) standard unit, which uses a multiplier of 1000 bytes as a measure for Kilobyte. \*\* Figures prior to FY 2009 do not include ERA.*

*FY 2011 Performance Plan Evaluation* We will design and deploy public access capabilities. We will extend ERA to agencies beyond those included in the initial release.

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

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

**Long-Range  
Performance Targets**

4.1. By 2016, NARA customer service standards for researchers are met or exceeded.

4.2. By 2012, 1 percent of archival holdings are available online.

4.3. By 2016, 95 percent of archival holdings are described in an online catalog.

4.4. By 2012, our web sites score at or above the benchmark for excellence as defined for Federal Government web sites.

**FY 2010 Resources Available to Meet This Goal:** \$56,336,000; 320 FTE

4.1 NARA CUSTOMER SERVICE STANDARDS

**FY 2010 Objectives**

- 93 percent of written requests are answered within 10 working days;
- 94 percent of items requested in our research rooms are furnished within 1 hour of request or scheduled pull time;
- 87 percent of Freedom of Information Act requests for Federal records are answered within 20 working days;
- 90 percent of online archival fixed-fee reproduction orders are completed in 20 working days or less.
- Operate a government-wide Office of Government Information Services (OGIS) program to strengthen FOIA and ensure an open and accessible government.

**Results**

*"Thank you for your help in locating and send me copies of the correspondence between my late grandmother and Mrs. Roosevelt. I was thrilled to receive the packet of letters!"*

- We answered 93 percent of written requests within 10 working days.
- We provided 96 percent of items requested in our research rooms within 1 hour of the request or scheduled pull time.

- ✓ We answered 89 percent of Freedom of Information Act requests within 20 working days.
  - ✓ We completed 96 percent of our online archival fixed-fee reproduction orders in 20 working days or less.
  - ✓ We operate a fully staffed Office of Government Information Services.
- "...good service by government employees is often not recognized or acknowledged. I appreciate your very prompt and courteous service."*

*Discussion* We successfully met or exceeded all of our customer service targets in FY 2010. In our research rooms, our customers received requested research materials within one hour 96 percent of the time. We responded to customers' written requests within 10 working days 93 percent of the time. Ninety-six percent of the time we responded to online archival reproduction orders within 20 working days – a 6-percentage-point increase in the rate completed in the prior year. This consistently positive trend reflects our commitment to provide more timely responses to these important requests.

The OPEN Government Act of 2007 amended the Freedom of Information Act (5 U.S.C. Section 552) to create an Office of Government Information Services (OGIS) within NARA. The new office opened in early September 2009.

OGIS reviews policies and procedures of administrative agencies under FOIA, reviews agency compliance with FOIA, and recommends policy changes to the Congress and the President to improve the administration of FOIA. OGIS's mission also includes providing services to mediate disputes between FOIA requesters and Federal agencies, developing an innovative approach to reduce litigation, and improving the FOIA process for the public and the Government.

<b>Performance Data</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<i>Performance target for written requests answered within 10 working days.</i>	95	90	91	92	93
Percent of written requests answered within 10 working days.	97	95	94	95	93
<i>Performance target for Freedom of Information Act requests for Federal records completed within 20 working days.</i>	90	85	86	87	87
Percent of Freedom of Information Act requests for Federal records completed within 20 working days.	87	88	89	86	89
Number of FOIAs processed (Federal and Presidential).	8,889	12,406	13,483	17,512	15,769
Annual cost to process FOIAs (in millions).	\$2.62	\$2.72	\$2.34	\$2.76	\$2.97
Annual per FOIA cost.	\$295	\$219	\$173	\$158	\$189
<i>Performance target for items requested in our research rooms furnished within 1 hour of request or scheduled pull time.</i>	95	95	90	93	94
Percent of items requested in our research rooms furnished within 1 hour of request or scheduled pull time.	96	86	93	93	96
Number of researcher visits to our research rooms (in thousands).	132	136	140	129	137
Number of items furnished in our research rooms (in thousands).	421	520	576	553	563
Number of items furnished on time in our research rooms (in thousands).	405	449	537	515	538

<i>Performance target for archival fixed-fee reproduction orders through SOFA are completed in 20 (35 pre-2007) working days or less.</i>	85	85	85	90	90
Percent of archival fixed-fee reproduction orders through SOFA are completed in 20 (35 pre-2007) working days or less.	97	72	68	90	96
Average per order cost to operate fixed-fee ordering.	\$28.74	\$26.67	\$30.59	\$38.06	\$40.49
Average order completion time (days).	14	17	22	18	13

*FY 2011 Performance Plan Evaluation* We expect to meet or exceed our published standards for customer service. Our newly established Office of Government Information Services will continue to implement methods to improve FOIA practices government-wide and ensure an open and accessible Government.

**4.2 ONLINE ACCESS TO ARCHIVAL HOLDINGS**

**FY 2010 Objectives**

- Meet 30 percent of the 2012 target for archival holdings accessible online.
- Complete digitization of 1940 Census.

**Results**

*“A superb example of what the web can do to bring history directly to the historian, student, journalist, etc., no matter where they are located.”*

- We exceeded our target for both traditional and electronic archival holdings accessible online.
- Staffing, training, and work process issues have delayed the completion date of the scanning effort.

*Discussion* The Obama Administration issued the *Open Government Directive* which promotes new lines of communication and cooperation between the Federal Government and the American people. In response to the directive, and with input from both NARA staff and the public, we crafted *NARA’s Open Government Plan*. Our flagship initiative, *Develop Online Services to meet our 21<sup>st</sup> Century Needs*, addresses the following four areas of focus: a social media strategy, improved search capabilities, a website designed for staff and public participation, and a strategic approach to digitization. Key projects developed from the initiative include “AOTUS: Collector in Chief,” the blog of the Archivist of the United States; the “Our Archives” wiki, which encourages “citizen archivists” to contribute their expertise and guidance to NARA; the publishing of high value datasets on Data.gov; and the creation of NARA’s Open Government web page.

We actively engage in four major strategies to increase the amount of archival material that we provide online. These strategies include partnerships to digitize selected traditional archival material, collecting existing digital copies of traditional archival material, and exploring innovative NARA-led projects for digitizing archival material. We also focus on making “born digital” electronic records available as soon as possible. In FY 2010, we added nearly 30,000 digital files created by NARA to the Archival Research Catalog (ARC). These files included nearly 900 digital images of President Ford’s daily diary; more than 2,900 Escape and Evasion Reports for World War II; hundreds of films held by our Motion Pictures sections; and in excess of 23,000 photographs documenting the Secretary of Interior’s activities. Our digitization partners have digitized more than 60 million NARA images. The variety and volume of

information reaches across our many customer audiences and delivers to them a wealth of historical information.

Even with the significant progress made this year to make more of our holdings accessible online, we have a tremendous task ahead of us. Impediments to increasing the percentages are the sheer volume of records received each year. In addition, we are limited in the scalability of ARC, which then limits our ability to add metadata and digital objects. There are currently 4.4 million descriptions in ARC. We anticipate that full capacity ranges between 8 and 10 million descriptions, and our partners have already surpassed this limitation. To address this issue, we awarded a contract this year for a new description tool that would provide for the addition to NARA's catalog of all metadata and images created by our partners.

We have established partnerships with both private partners and public institutions, to advance the goal of making more holdings accessible online. This year alone we received 80,000 images of *Death Reports of American Citizens Who Died Abroad*, the first set of materials created under the Ancestry partnership; 11,466 reels of microfilm from Footnote; and to date, we have received almost 29 million images from Footnote.com. A collaborative project exists between NARA and the United Kingdom National Archives and the German Bundesarchiv to provide online access to digital images of records related to Holocaust-era looted cultural property.

We continue to expand the breadth of tools available to access our data. Through social media, our exposure to new audiences is growing. We joined *Flickr Commons*, a web site for cultural institutions to share their photograph collections. The NARA Flickr photostream has received more than one million views and 8,000 user-generated tags. The Presidential Libraries are also participating with a collection of images from the Dwight D. Eisenhower Library and Museum and images of the Flathead Irrigation Project held by the National Archives at Denver will be added through a pilot program. Our presence through *Facebook*, *blogs*, *Twitter*, *wikis* and other social media venues enhances our interaction with customers.

NARA holds the records of the 1940 Census, scheduled for public release in April 2012. The Census release is widely anticipated by the genealogical and family history communities with the expectation that users will be able to search the information on the Internet. The 1940 Census schedules were transferred to NARA custody in microfilm format and could have been made available for use in that format. In keeping with government-wide goals, however, NARA decided to create opportunities for expanded online access to Census information by digitizing the microfilmed 1940 schedules. The decision enabled NARA to update equipment, train staff, and revise work processes in support of a transition to a digital reformatting environment. We set an ambitious deadline for completion of the digitization work, but our ramp up to production took longer than predicted and we have had to make significant changes in work processes as we have gained experience. We are confident that the lessons we have learned during this year, combined with a re-allocation of staffing resources, will enable us to complete the digitization and associated metadata capture by April 2011, well in advance of the anticipated release data.

<b>Performance Data</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<i>Performance target for percent of archival holdings accessible online.</i>	-	-	-	-	.30
Percent of traditional archival holdings available online.	-	-	.04	.04	.6

Performance Data	2006	2007	2008	2009	2010
Percent of electronic archival holdings available online.	2.1	1.6	1.4	1.3	1.4
<i>Performance target for percent increase in ARC visits.</i>	–	–	10	10	–
Percent increase in ARC visits.	-11	15	131	-6	-4
Number of ARC visits (in thousands of visits).	254	291	671	631	603

*FY 2011 Performance Plan Evaluation* We will continue to increase the number of archival holdings accessible online, whether through NARA or our partners. We will create digital images of the 1940 Census records and perform technical quality control.

4.3 ONLINE CATALOG

**FY 2010 Objectives**

- ☑ Describe 70 percent of NARA traditional holdings in the Archival Research Catalog (ARC).
- ☑ Describe 70 percent of NARA artifact holdings in ARC.
- ☑ Describe 70 percent of NARA electronic holdings in ARC.

**Results**

- ✓ We described 70 percent of NARA traditional holdings in ARC.
- ✓ We described 78 percent of NARA artifact holdings in ARC.
- ✓ We described 96 percent of NARA electronic holdings in ARC.

*Discussion* The Archival Research Catalog (ARC) is our online catalog with descriptions of holdings, artifacts, and electronic records in the custody of the National Archives. ARC contains approximately 4.4 million descriptions and links to more than 157,020 digital images of some of our most sought after holdings. ARC is a comprehensive, self-service, online catalog of descriptions of our nationwide holdings. We are working toward the integration of the public side of ARC with our Online Public Access (OPA) catalog by the end the year when OPA will be offered to the public. Eventually, OPA will fully replace the public side of ARC.

Each year we try to increase the percentage of holdings that we describe in ARC, enabling the public to search for our records at anytime and anywhere using the Internet. We attribute a growing number of series descriptions in ARC to processing initiatives in our program offices. Growing efficiency in describing the holdings leads to the positive results demonstrated in our success to meet or exceed our target for each category of holdings that we describe. However, as we complete descriptions for larger series, our percent completion is smaller. In addition, we captured data from existing finding aids and included this information in ARC.

Performance Data	2006	2007	2008	2009	2010
<i>Performance target for traditional holdings in an online catalog.</i>	50	55	60	65	70

<b>Performance Data</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Percent of traditional holdings in an online catalog.	51	56	64	70	70
Number of traditional holdings described in an online catalog (millions of cubic feet).	1.7	1.9	2.4	2.7	2.8
Number of traditional holdings in NARA (millions of cubic feet). *	3.3	3.3	3.7	4.0	4.0
<i>Performance target for artifact holdings in an online catalog.</i>	50	55	60	65	70
Percent of artifact holdings in an online catalog.	57	57	61	74	78
Number of artifact holdings described in an online catalog (thousands of items).	309	309	353	465	466
Number of artifact holdings in NARA (thousands of items).	544	544	582	628	628
<i>Performance target for electronic holdings in an online catalog.</i>	20	55	60	65	70
Percent of electronic holdings in an online catalog.	98	99	98	95	96
Number of electronic holdings described in an online catalog (billions of logical data records).	4.5	4.7	5.4	6.4	6.7
Number of electronic holdings in NARA (billions of logical data records).	4.6	4.7	5.2	6.7	6.9
Number of series described in ARC (cumulative).	31,561	49,691	74,544	102,250	TBD
Number of ARC users (in thousands of visits).	254	291	671	631	603

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

*FY 2011 Performance Plan Evaluation* We will continue to expand our online holdings and the percentage of our holdings described in our online catalog. We will measure our efforts to make archival holdings accessible online in cubic feet. We will release the OPA prototype to the public.

#### 4.4 WEB SITES

##### **FY 2010 Objectives**

- Improve NARA's score against the benchmark for excellence by 3 percentage points.
- Redesign *archives.gov* web site.

##### **Results**

- We exceeded the benchmark for excellence by 5 percentage points.

*"Powerful lessons in information and transparency. Thanks for the teachable moment."*

- We redesigned the *archives.gov* web site scheduled for launch in FY 2011.

*Discussion* We use the American Customer Satisfaction Index (ACSI) to determine how satisfied our online customers are with our web sites. The ASCI helps us to measure satisfaction by customer groups (e.g. genealogists, veterans, educators, students, etc.) and use this valuable feedback to understand their experience on our web sites. We identify customer-focused strategies to develop, modify, or remove web content to improve customer satisfaction levels. We apply this benchmark for excellence to our *archives.gov* web site and compare it against other Federal Government portal sites as a gauge to understand how we compare to other agencies. Our implementation of improved search engine capability in response to past feedback resulted in higher

satisfaction levels. We recognize the value of feedback and look for ways to ensure we meet customers' needs.

Early in the fiscal year, ACSI offered new questions on agency transparency and visitor social media preferences (e.g. Twitter, Facebook, etc.). This year we received the highest score—74 percent—since the survey was launched in 2003. We attribute this improved overall satisfaction score to our increased transparency.

We incorporated the principles of Open Government in our effort to redesign *archives.gov*. Transparency, participation, and collaboration were the principles that guided us as we enhanced the web site. We requested active involvement from NARA staff, NARA content contributors, and our online customer community. Although challenged with requirements to streamline navigation, improve access to holdings, simplify content, and update the visual design, we have involved our community of users more than ever. We presented four home page designs, and using IdeaScale, an online social voting tool, we opened up voting to the public for 10 days. Votes were also accepted in person at the National Archives in Washington, DC, and the facility in College Park. We were pleased to receive more than 3,200 votes. Status of the redesign effort is posted on our internal web site and on *archives.gov*, with implementation of the web site scheduled for early FY 2011.

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

<b>Performance Data</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Online visits to NARA's web sites (in thousands).	31,897	34,871	37,807	37,470	39,036
Performance target NARA web site scores as percent of benchmarked score for other Federal web sites.	—	—	Establish baseline	67	72
Percentage point improvement in web sites score.			—	3	5
Web sites score at or above the benchmark for excellence as defined for Federal government web sites.	69	67	66	69	74
Presidential Libraries score at or above the benchmark for excellence as defined for Federal government web sites.	77	77	75	78	79

*FY 2011 Performance Plan Evaluation* To improve workflow we will implement *archives.gov* in a new content management system.

## 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.

**FY 2010 Resources Available to Meet This Goal:** \$30,356,000; 190 FTE

### 5.1 CUSTOMER SATISFACTION WITH OUR PROGRAMS

#### FY 2009 Objectives

- 85 percent of NARA education program visitors are satisfied with their visit.
- 85 percent of NARA exhibit visitors are satisfied with their visit.
- 85 percent of NARA public program visitors are highly satisfied with their visit.
- Implement priorities on recommended improvements identified through the AASLH study results.
- Conduct and evaluate a longitudinal study of the Public Vaults and visitor experience to compare to 2005 data.

#### Results

*"...your DocsTeach web site, great resource for teachers!"*

- We met the expectations of 99 percent of teachers rating our teacher education workshops.
- Our National Archives Experience formally surveyed on-site visitors from July through October.
- We met the expectations of 97 percent of visitors rating our public programs.
- We implemented improvements to the logistics and descriptive content for exhibits in the Rotunda.
- We developed a survey instrument for our longitudinal survey of the Public Vaults and visitor experience.

*Discussion:* This year, in response to the *OPEN Government Directive*, our Office of the Federal Register launched a new product, *Federal Register 2.0*, an unofficial online newspaper version aimed at making the *Federal Register* and participation in Federal rulemaking more accessible to the public. Development of *Federal Register 2.0* reflects a unique public/private partnership and use of web 2.0 technologies. The site's design incorporates greatly improved navigation and search tools and clearly highlights each agency's significant rules. The web site takes advantage of social media and integrates seamlessly with *Regulations.gov* and the Unified Agenda to facilitate the rulemaking process. Since the launch of *FederalRegister.gov* in July, more visitors are accessing the *Federal Register*—nearly 82 percent as new customers.

Throughout the year, we conduct monthly workshops with the public and Federal agency regulation writers to inform attendees about the Federal regulatory process embodied in the Federal Register Act and the Administrative Procedure Act. Our monthly workshop, *The Federal Register: What It Is and How To Use It*, is a means of educating the public and Federal agency regulation-writers about the Federal regulatory process embodied in the Federal Register Act and the Administrative Procedure Act. Our purpose in conducting monthly workshops is to promote better understanding of the system, increase participation in the notice-and-comment process, and improve regulation-writing.

The Presidential Libraries host a variety of programs designed to educate and inform students about the presidency, American history, and our democracy. Our goal in FY 2010 was to develop a measurement tool for these education programs. We delayed the start of this survey as we rethink our agency-wide methodology for customer satisfaction surveys.

Our commitment to civic literacy extends to communities around the country. During the year, we opened a revolutionary exhibition—*Discovering the Civil War*—where an extensive display of our holdings was assembled to reveal numerous unknown facts about the Civil War; and *Mugged! Facing Life at Leavenworth*—a behind-the-scenes journey through the halls of the United States Penitentiary at Leavenworth, Kansas, from the 1890s to the 1930s.

In addition to conducting workshops and using videoconferencing to reach our audiences nationwide, we promoted civic literacy through one of our highly successful open government initiatives. *DocsTeach*, launched in September 2010, is an online tool for teaching with documents. The tool combines primary source content with the latest interactive capabilities of the Internet and provides instruction to teachers in the best practices of teaching with primary sources.

Improvements to the Rotunda were implemented as a result of feedback from the 2008 American Association of State and Local History (AASLH) study on museum and museum programs in Washington, DC. Customer feedback indicated that improvements to the logistics and content in the Rotunda would enhance their experience. In FY 2010, we implemented these improvements including audio information provided to lines external to the building, flat screen monitors staged in the Rotunda Gallery to provide more logistical and contextual information for visitors waiting in line to view the Charters of Freedom, and physical changes to the Rotunda exhibit to better inform visitors about the Charters of Freedom.

Efforts are underway to survey visitors to the *Public Vaults* exhibition. Due to a delayed start, we expect survey distribution to begin in FY 2011. In FY 2010, we successfully identified and selected a vendor to develop and distribute our customer satisfaction survey instrument and produce a statistical analysis report of the results. The survey results will help us better understand visitor behaviors and attitudes, especially corresponding to length of visit, visitor satisfaction, and visitor priorities. We will use these results to make adjustments in our service offerings that will improve the overall visitor experience.

Our customer service survey designed to help us understand customer satisfaction with our education programs, exhibits, and public programs. We use training evaluation forms and formal surveys to evaluate our programs; however, we do not yet have a process to collect these ratings agency-wide. We expect to deploy that capability in FY 2011.

<b>Performance Data</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Number of physical visitors to NARA museums, exhibits, research rooms and programs (in millions).	3.0	3.2	3.2	3.6	3.1
<i>Percentage of NARA education program visitors satisfied with their visit.</i>	–	–	–	–	85
NARA education program visitors satisfied with their visit.	–	–	–	–	–
<i>Percentage of NARA exhibit visitors satisfied with their visit.</i>	–	–	–	–	85
NARA exhibit visitors satisfied with their visit.	–	–	–	–	–
<i>Percentage of NARA public program visitors satisfied with their visit.</i>	–	–	–	–	85
NARA public program visitors satisfied with their visit.	96	96	97	97	97

*FY 2011 Performance Plan Evaluation* We will work to improve our ability to evaluate customer satisfaction with our education and public programs agency-wide.

**5.2 NHPRC-ASSISTED PROJECTS**

**FY 2010 Objectives**

- 82 percent of all NHPRC-assisted grants produce the results required.

**Results**

- ✓ Nearly 92 percent of all NHPRC-assisted grants successfully reached their goal and produced the results expected.

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

In FY 2010, the NHPRC closed 123 grant projects with a 92 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 and local government archives, and nonprofit organizations. Grant projects typically range in duration from one to three years and therefore grants awarded in any given year will not yield results until the following year at the earliest. The NHPRC is challenged with managing grantee performance of typically more than 240 projects open at any given time. To meet the challenge of managing performance of ongoing projects at various stages in the grant process, the NHPRC will continue to seek ways to improve communication – specifically to applicants and grantees – about NHPRC programs, specific performance objectives, and general expectations of all Federal grantees to continuously improve our success rate.

In response to a Congressional committee report addressing concerns that the papers of America’s Founding Fathers were not freely available online, we initiated our Founding Fathers Online pilot, *Transcribing and Encoding the Founders Papers for Online Access*. We initiated the Founding Fathers Online pilot project in FY 2009 to include the papers of John Adams, Benjamin Franklin, Thomas Jefferson, James Madison, and George Washington. In FY 2010, because of a grant awarded in 2009, we released 5,000 preliminary transcriptions of materials from President John Adams and James Madison to the public. In the first month of availability, there were more than 1,200 unique visitors for this selection of materials.

<b>Performance Data</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<i>Performance target for percent of all NHPRC-assisted grants produce the results required.</i>	–	–	–	–	82
Percent of all NHPRC-assisted grants produce the results required.	88	86	81	82	92

*FY 2011 Performance Plan Evaluation* We will continue a best test site of the “Founders Online” web site.

## Strategic Goal 6: Infrastructure

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

### Long-Range

### Performance Targets

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

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

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

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

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

**FY 2010 Resources Available to Meet This Goal:** \$35,736,000; 184 FTE

### 6.1 DEVELOPING EMPLOYEES

### FY 2010 Objectives

- Maintain 95 percent of staff development plans linked to strategic outcomes.
- Maintain 95 percent of employee performance plans linked to strategic outcomes.
- Identify core competencies for NARA's mission critical occupations.

### Results

- We maintained 72 percent of staff development plans linked to strategic outcomes.
- We maintained 97 percent of employee performance plans linked to strategic outcomes.
- We developed a rollout plan for competency modeling that will extend to all mission critical occupations across all of NARA and management positions.

*Discussion:* Annually, we align employee performance plans and staff development plans to our agency's mission and strategic goals. These plans are important tools that document the connection between the work of an employee and how it ties, either directly or indirectly to the agency's mission, and in large part, to the NARA Strategic Plan.

Staff use the development plans to identify training requirements, navigate career paths, understand Government operations, or close or narrow skill gaps in core competencies.

Having the internal staff capabilities to execute the strategies in our strategic plan is vital to the success of the plan and the achievement of our mission. To ensure that we have the staff capacity that we need both now and in the future, we are systematically examining NARA’s mission critical occupations to identify competency requirements at all levels.

For NARA, a competency model describes the set of skills, knowledge and abilities necessary for successful performance on a given job. Identifying and defining the core competencies required for the successful performance of NARA’s mission critical occupations will establish the groundwork necessary for improving many human resource systems, including selection of new employees, promotion of employees, performance appraisal, training, succession planning and job design. Well-defined competency models mitigate legal exposure in hiring practices as well as increase efficiency, consistency, and continuity throughout our human resource systems.

In FY 2010, we hired a Personnel Psychologist with experience in competency modeling, selection, job design, and organization-based research, to drive the competency modeling initiative. Accomplishments throughout the year included the completion of competency modeling work initiated in FY 2009 for selected offices; developing a rollout plan for competency modeling to all mission critical occupations and management positions across NARA; and assessment content (competency usage plans, occupational questionnaires and structured interview guides) for more than 170 jobs that have gone through the competency modeling process to date.

Building on our efforts and using best practices in competency modeling will allow us to overcome challenges associated with such a large undertaking.

<b>Performance Data</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<i>Performance target for percent of permanent staff having staff development plans that link to strategic outcomes.</i>	95	95	95	95	95
Percent of permanent staff having staff development plans that link to strategic outcomes.	76	96	89	67	72
Number of permanent staff having staff development plans that link to strategic outcomes.	1,970	2,366	2,221	1,741	1,922
Number of permanent staff who should have a staff development plan.	2,576	2,474	2,508	2,590	2,687
Average time (in calendar days) to fill a leadership position.	42	39	55	65	39
<i>Performance target for percent of staff having performance plans that link to strategic outcomes.</i>	95	95	95	95	95
Percent of staff having performance plans that link to strategic outcomes.	95	97	98	96	97
Number of staff having performance plans that link to strategic outcomes.	2,530	2,480	2,510	2,570	2,737

*FY 2011 Performance Plan Evaluation* NARA will continue to develop competency modeling and adhere to best practices that ensure high quality competency definitions and performance standards.

6.2 EQUAL EMPLOYMENT OPPORTUNITY

**FY 2010 Objectives**

- ☑ Increase the number of employees in underrepresented groups relative to their representation in the CLF.

**Results**

- ✓ The percent of employees in three underrepresented groups marginally increased in their representation rates.

*Discussion:* NARA strives to achieve a workforce that reflects the demographics of our nation’s diverse workforce, an objective found in our Strategic Human Capital Plan, “Sustain a productive, diverse workforce and achieve results by valuing and recognizing performance in an environment in which all employees are encouraged to contribute.” In our underrepresented groups (i.e. Women, Black/ African American, Latino/Hispanic, Asian, Native Hawaiian /Pacific Islander, American Indian/ Alaskan Native, and persons with targeted disabilities), we achieved modest increases in representation in three groups – Asians, Latinos/Hispanics, and Native Hawaiians/Pacific Islanders. The percentage increases have been marginal for these groups.

We continue to focus on improving our performance in hiring and promoting people in underrepresented groups through efforts to expand recruiting techniques, analyze pertinent personnel information, and implement staff development programs. We will continue to assess our progress and remain diligent in our efforts to create a workforce more reflective of the diversity of our nation.

NARA’s efforts in this area are guided by our annual Federal Equal Opportunity Recruitment Program (FEORP) plan. The FEORP contains multi-year strategic goals that together form the foundation of NARA’s recruitment strategy for women and minorities. These strategies focus on expanding partnerships with minority-serving universities, educations associations, and professional organizations; attendance and networking at minority conferences and job fairs; encouraging the use of developmental assignments; and making sure that these strategies are aligned with NARA’s Strategic Plan. We finalized our FEORP and Federal Hispanic Employment Program plans and made them available to staff on our internal web site. Each plan addressed strategies for enhancing the representation of women and minorities, specifically Hispanic/Latinos at NARA. We conducted our 10-week Summer Diversity Internship Program where interns from underrepresented groups performed assignments in program offices, received training in applying for Federal positions, and became informed of possible Archivist Development Program (ADP) employment opportunities for which many will be qualified.

We created a directory of targeted recruitment sources, inclusive of colleges, universities and organizations with high concentrations of minorities and women that offer courses or professions applicable to NARA’s Mission Critical Occupations (MCOs).

<b>Performance Data</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Number of applicants.	5,040	4,690	5,559	6,353	2,769
Number of applicants in underrepresented groups.	1,790	1,744	2,515	2,808	647
Percent of applicants in underrepresented groups.	36	37	45	44	23
Number of qualified applicants.	2,315	2,857	3,099	3,727	1,576
Percent of qualified applicants in underrepresented groups.	53	42	52	48	31

<b>Performance Data</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Number of best qualified applicants.	–	1,001	1,533	1,639	878
Percent of best qualified applicants in underrepresented groups.	–	51	52	48	27
Number of applicants hired.	256	236	334	309	135
Percent of applicants hired in underrepresented groups.	51	50	49	57	44
<i>Percent of Civilian Labor Force rate used to determine if underrepresented groups met employment target.</i>	80	90	100	100	100
Underrepresented groups of employees meeting target (checkmark indicates target met or exceeded)					
– Women					
– Black	✓	✓	✓	✓	✓
– Latino-Hispanic					
– Asian American/Pacific Islander					
– American Indian/Alaskan Native					
– Targeted disability	✓	✓	✓	✓	✓

*FY 2011 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 develop a recruitment manual and training session for NARA’s expanded outreach and recruitment efforts.

6.3 RECRUITING EMPLOYEES

**FY 2010 Objectives**

- ❑ 30 percent of NARA’s positions are filled within 80 days.

**Results**

- ✓ We filled 12 percent rate of NARA’s positions within 80 days.

*Discussion:* The Presidential Memorandum – Improving the Federal Recruitment and Hiring Process– issued by the Obama Administration, directed agencies to overhaul the way Federal Government recruits and hires the civilian workforce. As part of the Administration’s agenda to implement comprehensive recruitment and hiring reform, agencies were specifically required to improve the quality and speed of the hiring process.

An effective hiring process increases NARA’s ability to reach the best talent in a competitive market. It mitigates the risk of lost opportunity, which happens when potential candidates accept positions elsewhere because of the lengthy hiring time. NARA’s lengthy hiring process causes frustration among hiring managers who are waiting for positions to be filled. Managers can fulfill mission requirements when they can quickly tap into the talent seeking employment in the organization. An effective hiring process has numerous benefits.

The Federal standard for “time-to-fill” is 80 days, starting from the hiring manager’s initial request to fill a vacancy to the employee’s start date. NARA is committed to meeting this standard; however, we must work to improve our current status. In 2009, we mapped out our process and determined that it took on average between 163 to 213 days to fill a position.

The most significant barrier to NARA’s ability to achieve timely hiring has been the lack of an automated staffing system to screen the hundreds of applications received for each NARA posting. Other barriers to timely hiring at NARA include an over-reliance on paper-based processes; lack of standardized position descriptions and assessments for NARA core occupations and other commonly filled jobs; lack of established interviewing and selection standards; and lengthy security clearance processing and drug testing processes.

This year, we expanded our pilot of an automated hiring solution, *USA Staffing*, and ensured that all human resources specialists were licensed, trained, and using the automated staffing tool on hiring actions. A USA Staffing manager joined NARA in FY 2010 to manage the overall USA Staffing implementation and ensure the execution of communications and training for all required users.

Employing a concerted six- month effort to attack a backlog of hiring action plans, we eliminated our backlog and are now operating with an acceptable workload. We completed most of the process changes identified in NARA’s hiring reform action plan and have noticed a positive impact on reducing the “time-to-fill” for NARA’s hiring actions.

<b>Performance Data</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Number of applicants.	5,040	4,690	5,559	6,353	2,769
Number of applicants hired.	256	236	334	309	135
Average number of days to fill position.	—	—	—	—	152.6
<i>Performance target for percent of NARA’s positions filled within 80 days.</i>	—	—	—	—	30
Percent of NARA’s positions filled within 80 days.	—	—	—	—	12

*FY 2011 Performance Plan Evaluation* We will continue to improve the quality and speed of the hiring process.

**6.4 NONTRADITIONAL WORK ARRANGEMENTS**

**FY 2010 Objectives**

- 15 percent of NARA’s eligible staff participates in the telework program.

**Results**

- ✓ Only 4 percent of NARA’s eligible staff participates in the telework program.

*Discussion:* Non-traditional work arrangements are valuable tools to enhance the quality of employee work life. In addition, telework is a tool we can use to help recruit potential candidates, retain talented staff, and improve the productivity of our workforce.

We continue to support the integration of telework into agency operations. Our initial efforts to recruit a Work Life Wellness specialist, in FY 2010, to serve as NARA’s Telework Program Manager, proved unsuccessful. We are re-evaluating our strategy for recruiting for the position; however, we have re-aligned an existing resource to assist with telework-related duties. In FY 2010, we issued guidance to establish NARA policy for using telework during pandemic flu or other emergencies and an agreement was drafted to expand telework opportunities to include telework for medical, long distance, Continuity of Operations Planning (COOP), or other emergency reasons.

A significant number of NARA’s staff are ineligible to telework due to the nature of their work. For example, staff that handle classified materials or are in positions that require face-to-face personal contact, are ineligible to participate. We have a number of positions that limit nearly 72 of our staff from participation in the program. Of the remaining 28 percent of staff that are eligible, only 4 percent are participating. The causes behind this low participation rate will require further analysis; however, we anticipate that once key personnel are in place we will concentrate on enhancing NARA’s organizational culture, and building management support towards the telework program. Our focus will be on improving communication and marketing next year. We are committed to expand this program to eligible staff and working with managers and staff to achieve NARA’s stated goals.

<b>Performance Data</b>	<b>2009</b>	<b>2010</b>
Percent of eligible Federal Government workers who telework.	–	28
<i>Performance target for percent of NARA’s eligible staff in telework program.</i>	–	15
Percent of NARA’s eligible staff participating in the telework program.	–	4
Number of telework hours worked by NARA employees.	–	63,755

*FY 2011 Performance Plan Evaluation* We will revisit our recruitment approach for a Telework Program manager and examine ways to increase participation among eligible staff.

6.5 INFORMATION TECHNOLOGY

**FY 2010 Objectives**

- ☑ Public network applications are available 98.85 percent of the time.
- ☑ Maintain and analyze NARA’s agency-wide data dictionary that contains data modeling and physical implementation information for NARA’s major mission-related systems.

**Results**

- ✓ Public network applications are available 99.6 percent of the time.
- ✓ NARA’s data dictionary is updated quarterly with individual data models for NARA’s mission-related systems currently in the system.

*Discussion:* We rely more heavily on technology to conduct business with the public, to perform our jobs, and to facilitate communications. Our technological tools are essential resources that we use to communicate with our customers, provide access to digital records and research, and create venues for customers to visit our facilities and experience our exhibits through virtual worlds. The tools offer flexibility and consistency in work processes and operations.

NARA hosts several applications that are available to the public through the Internet. These systems support a variety of business applications and must be available to the public at all times. The requirements of both NARA’s customers and staff using our public network applications necessitates that these tools remain stable, secure, and

continuously available (i.e. 24x7). System upgrades and scheduled maintenance do require us to take systems off-line; however, we target off-peak times to lessen the impact to our customers. Maintaining this level of efficiency requires monitoring of our resources and services to ensure optimal performance. This year we exceeded our target to ensure availability of public network applications.

Many of the IT services that we provide depend on a robust network infrastructure to facilitate optimal performance. This becomes more crucial as we add applications and users to our network, increase our use of social media tools, and steadily increase the volume of digitized holdings. This year we upgraded the circuit that connects our intranet to the internet, increasing the speed from a traditional “T3” circuit running at 45 Megabytes per second (Mbps) to a fiber optic based circuit running at 100 Mbps with a potential bandwidth of 155 Mbps. This upgrade enhanced the experience of external users of NARA web sites as well as improved performance for NARA staff that access several internet-based business applications.

NARA’s data dictionary provides us with the foundational tool to facilitate data sharing and continued development of data standards throughout the agency. This year we increased the functionality in the data dictionary web site to enable report enhancements based on user requests and added a system to support the review and redaction of sensitive but unclassified documents.

<b>Performance Data</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Percent of public network availability.	100	100	100	100	100
<i>Performance target for percent availability of public applications.</i>	98.9	98.80	98.83	98.84	98.85
Percent of public network applications availability.	98.9	99.4	99.5	99.5	99.6
Number of total hours that any public network application was unavailable.	830	504	424	414	305
Percent of customer’s highly satisfied with NARA helpdesk services (average for year).	—	65	83	87	87

*FY 2011 Performance Plan Evaluation* We will improve business productivity and customer service and support NARA’s growing information and data needs with the deployment of the first phase of our enterprise Storage Network Infrastructure. To improve the performance of our IT infrastructure to meet business requirements, we will upgrade our Local Area Network (LAN).

## FY 2010 PROGRAM EVALUATIONS

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

Office of Inspector General, OIG Report 10-04, *Audit of NARA's Oversight of Electronic Records Management in the Federal Government*, April 2, 2010

The objective of this audit was to determine whether established controls provide adequate assurance permanent electronic Federal records are identified, scheduled, and accessioned into NARA in fulfillment of NARA's statutory obligations. There are seven recommendations associated with this audit, six of which are in abeyance until a review of relevant statutory authorities, regulations, and responsibilities can be completed.

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

Office of Inspector General, OIG Report 10-08, *Management Letter: Award Fee Program for the Electronic Records Archives Development Contract*, March 24, 2010

This management letter is to inform the Archivist that the ERA development contract award fee program is not functioning in an efficient and effective manner. The management letter makes no specific recommendations.

Office of Inspector General, OIG Report 10-10, *Management Letter: Concerns with the Electronic Records Archives (ERA) System's Ability to Conduct Full-Text Searches*, April 2, 2010

This management letter describes to the Archivist concerns with the capacity and capability of ERA to search the records it will eventually store. There are no specific recommendations in this management letter.

Government Accountability Office, GAO-10-657, *Electronic Records Archives: Status Update on the National Archives and Records Administration's Fiscal Year 2010 Expenditure Plan*, June 11, 2010

GAO objectives in reviewing the plan were to (1) determine whether NARA's FY 2010 expenditure plan satisfies the legislative conditions, (2) determine the extent to which NARA has implemented prior GAO recommendations, and (3) provide any other observations about the expenditure plan and the ERA acquisition. There are two recommendations associated with this report.

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

Office of Inspector General, Report 10-06, *Management Letter: Security Conditions in the Research Rooms at the National Archives in College Park, MD*, March 15, 2010

This management letter describes to the Archivist security conditions found in multiple visits (both announced and unannounced) to National Archives at College Park research rooms. Although there are no specific recommendations associated with this management letter, we developed an action plan with 14 items, 10 of which remain open.

### **Strategic Goal 5: Civic Literacy**

Office of Inspector General, Report 10-01, *National Historical Publications and Records Commission Grant No. 2004-026 Supreme Court Historical Society*, October 26, 2009

This review is part of a larger audit of NHPRC management controls over its grants process. This portion of the review was to determine whether (1) funds awarded were used and expended in accordance with Federal guidelines and (2) NARA objectives for issuing the grant were accomplished, specifically Grant No. 2004-026. There are no specific recommendations associated with this audit.

Office of Inspector General, Report 10-15, *National Historical Publications and Records Commission Grant No. RB-50061-09 Historical Society of Washington, DC*, June 23, 2010

This review is part of a larger audit of NHPRC management controls over its grants process. This portion of the review was to determine whether funds awarded and advanced to the Historical Society of Washington were used and expended in accordance with Federal guidelines. There are two recommendations associated with this audit, both of which remain open.

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

Office of Inspector General, OIG Report 10-02, *Cotton & Company, Independent Auditors Report on Internal Control*, November 2009

The Inspector General contracted with Cotton & Company (C&Co) to conduct an audit of NARA's FY 2009 financial statements. C&Co made 18 recommendations to correct matters involving internal control and operations. Five of these recommendations are closed, two are partially closed, and the remainder will carry forward to the next report.

Office of Inspector General, Report 10-05, *Review of NARA Contract for Information Technology and Telecommunications Support Services*, August 17, 2010

The objectives for this task order review were to determine if (a) the procurement of the Office of Information Services (NH) NITTSS task order was accomplished in accordance with the FAR requirements, and (b) NH officials adequately monitored contractor efforts to ensure the Government gets good value for the funds expended on the task order. There are six recommendations associated with this audit, one of which remains open.

Office of Inspector General, Report 10-07, *Audit of NARA's Network Infrastructure*, April 28, 2010

The objective of this audit was to determine whether NARA had effectively implemented appropriate physical security and access controls to protect network devices. There are 18 recommendations associated with this audit, 10 of which remain open.

Office of Inspector General, Report 10-18, *Management Letter: Security at Archives I and Archives II*, September 16, 2010

This letter defines the OIG's concerns regarding security offered to NARA staff, visitors, and holdings at the National Archives Building and National Archives at College Park facilities. There are no specific recommendations in this management letter.

Office of Inspector General, Report 10-19, *Audit of NARA's Internal Control Program*, September 16, 2010

The objectives of the audit were to (1) evaluate NARA's compliance with guidance contained in FMFIA and the Office of Management and Budget's (OMB) Circular A-123, *Management's Responsibility for Internal Control* (the Circular), and the adequacy of the agency's assurance statement and (2) identify and evaluate the system of internal controls using the Government Accountability Office's (GAO), *Standards for Internal Control in the Federal Government* (the Standards), for assessing and evaluating internal controls. There are two recommendations associated with this audit, both of which remain open.

Government Accountability Office, GAO-11-20, *National Archives and Records Administration Needs to Implement Key Program Elements and Controls*, DRAFT report for comment issued to NARA, September 16, 2010.

The objective was to determine whether NARA has effectively implemented appropriate information security controls to protect the confidentiality, integrity, and availability of the information and systems that support its mission. The final report is expected to be issued in early November.

### **Multi-Goal Evaluations**

Office of Inspector General, OIG Report 10-13, *Audit of the Accuracy of NARA's Performance Measurement Data*, May 18, 2010

The objective of this audit was to verify the accuracy and reliability of performance measurement data entered into NARA's performance management system, PMRS. There are two recommendations associated with this report, both of which remain open.

Office of Inspector General, OIG Report 10-14, *Audit of Process of Providing and Accounting for Information Provide to Researchers*, June 14, 2010

The objective of this audit was to determine whether controls were in place for ensuring requested records were properly accounted for when requested and returned to storage locations. There are four recommendations associated with this report, all of which remain open.

Government Accountability Office, GAO-11-15, *National Archives and Records Administration: Oversight and Management Improvements Initiated, but More Action Needed*, DRAFT report for comment issued to NARA, September 8, 2010

The objectives of this audit were to (1) assess NARA's effectiveness in overseeing the government-wide management of records, including commenting on its capacity to identify risk of unlawful destruction of Federal records; (2) describe its ability to preserve permanent records, and (3) assess its policies, procedures, and plans supporting key management and oversight capabilities: governance, human capital, and collaboration. The final report is expected to be issued in early November.

Office of Regional Records Services, *Program Review*, January 2010

The office conducted a program evaluation of the National Personnel Records Center, St. Louis. There were seven major findings and 19 minor findings associated with this report, all of which remain open.

Office of Regional Records Services, *Program Review*, May 2010

The office conducted a program evaluation of the Central Plains Region, Kansas City, MO. There were nine major findings and 23 minor findings associated with this report, all of which remain open.

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

The office conducted a program review of the Jimmy Carter Library in Atlanta, GA. The review resulted in 20 findings with responses due beginning in FY 2011.

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

The office conducted a program review of the John F. Kennedy Library in Boston, MA. The review resulted in 21 findings with responses due beginning in FY 2011.

Office of Presidential Libraries, *Administrative Review*, April 2010

The office conducted a program review of the Ronald Reagan Library in Simi Valley, CA. The review resulted in 15 findings with responses due beginning in FY 2011.

Office of Presidential Libraries, *Administrative Review*, May 2010

The office conducted a program review of the William J. Clinton Library in Little Rock, AK. The review resulted in 15 findings with responses due beginning in FY 2011.

Office of Presidential Libraries, *Administrative Review*, August 2010

The office conducted a program review of the George W. Bush Library in Lewisville, TX. The review resulted in 21 findings with responses due beginning in FY 2011.

Office of Presidential Libraries, *Administrative Review*, September 2010

The office conducted a program review of the Lyndon B. Johnson Library in Austin, TX. The review resulted in 12 findings with responses due beginning in FY 2011.

Office of Administration, Security Management Branch, *Physical Security and Life Safety Inspection*, March 2010

The office conducted an inspection at the Great Lakes Region Records Center in Chicago, IL. There were no findings.

Office of Administration, Security Management Branch, *Physical Security and Life Safety Inspection*, March 2010

The office conducted an inspection at the Southwest Region Records Center in Fort Worth, TX. The inspection resulted in 28 findings, all of which remain open.

Office of Administration, Security Management Branch, *Physical Security and Life Safety Inspection*, April 2010

The office conducted an inspection at the Gerald R. Ford Museum in Grand Rapids, MI. The inspection resulted in one finding which remains open.

Office of Administration, Security Management Branch, *Physical Security and Life Safety Inspection*, May 2010

The office conducted an inspection at the Kingsridge Records Center in Dayton, OH. There were no findings.

Office of Administration, Security Management Branch, *Physical Security and Life Safety Inspection*, May 2010

The office conducted an inspection at the Dayton Records Center in Dayton, OH. There were no findings.

Office of Administration, Security Management Branch, *Physical Security and Life Safety Inspection*, June 2010

The office conducted an inspection at the Seattle Archives and Records Center. The inspection resulted in one finding that remains 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 Federal agency activities related to identifying, scheduling, and transferring electronic records to NARA, as well as reporting on allegations of unauthorized disposal or removal of Federal records. We also recognize the four agencies who received special awards for effective records management at NARA's annual Records Administration Conference in May 2010.

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

In FY 2010, NARA presented Archivist Achievement Awards to the following agencies for demonstrated success in implementing effective records management tools or practices:

- Department of Interior, Office of Special Trustee for American Indians (OST), Office of Trust Records (OTR)
- Department of Justice, Federal Bureau of Investigation (FBI)
- Department of State
- Department of the Treasury

OTR received its award to recognize their establishment and funding of records management courses at the Haskell Indian National University (HINU), in Lawrence, Kansas. The FBI received an award for the results achieved by its Document Inventory and Control Program (DIMCaP) in improving the management of closed case files. The Department of State was recognized for its long-standing commitment to ensuring that historical Federal records are identified, declassified, scheduled, preserved, and made available to the public. The Department of Treasury received an award for its approach to meeting the September 30, 2009, deadline for Federal agencies to schedule their electronic records as required in NARA Bulletin 2006-02.

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

In 2009, we developed a methodology and a process for conducting and reporting oversight activities on Federal agencies' records management programs. This methodology includes inspections, agency self-assessments, surveys, studies, and other tools for collecting and reviewing information about Federal records management activities. NARA's annual records management self-assessment is one such oversight mechanism. The goal of the records management self-assessment is to measure how effective Federal agencies are in meeting the statutory and regulatory requirements for records management. The self-assessment is designed to gather data about agencies' records management policies and practices.

In late FY 2009, we conducted our first annual self-assessment as a pilot with a special focus on e-mail records management. We distributed questionnaires to 242 Federal agency Records Officers. We received 220 responses for a response rate of 91 percent. From our findings, we determined that 21 percent of Federal records management programs are at low risk for improper disposition of Federal records. NARA published

the report on the FY 2009 self-assessment on April 19, 2010 (<http://www.archives.gov/records-mgmt/resources/self-assesment.html>). We transmitted the report to OMB, and to the Oversight and Appropriations committees in both the House of Representatives and the United States Senate.

In May 2010, we issued a second records management self-assessment. This time we distributed the self-assessment to 270 Federal agencies and received 251 completed responses for a response rate of 93 percent. The report on the FY 2010 self-assessment will be published on the NARA website in early FY 2011. Based on the findings of the 2009 pilot, we modified and increased the number of questions in the 2010 self-assessment to obtain more accurate data. In addition, the 2010 self-assessment included questions pertaining to agency size and records management staffing levels.

### ***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. For several years prior to FY 2010, NARA did not conduct inspections, choosing instead to review agency recordkeeping practices through informal visits and other contacts. In FY 2010, NARA determined that the renewal of the inspection program would be mutually beneficial to Federal agencies and to NARA. NARA decided to inspect one or two agencies annually and to target highly significant aspects of their records management programs.

In 2010, NARA initiated records management inspections of two important components of the Department of Defense: the Office of the Secretary of Defense (OSD) and the National Geospatial-Intelligence Agency (NGA). The NGA inspection will be conducted in two phases. NARA will issue the inspection reports for both agencies, including findings and recommendations, in FY 2011.

The following are the elements of the OSD and NGA programs that NARA's inspections cover, including the reason for choosing these elements:

#### Office of Secretary of Defense (OSD):

- *Under Secretary of Defense for Intelligence [USD(I)]* recordkeeping. The USD(I) is a highly significant office that was established recently and creates very important records.
- *Evault*, an "electronic archives" of email and other electronic files that is used by the OSD. Evault raises complex and far-reaching issues about how such files are managed.
- *Executive Archives*, also used by OSD, and other digital collections of scanned permanent records. These collections include a large volume of highly significant records.

#### National Geospatial-Intelligence Agency (NGA):

- *Hard copy mapping products* maintained at various NGA sites (Phase I of the inspection).
- *Digital mapping products* (Phase II of the inspection).

The NGA records associated with these mapping products are critical to carrying out U.S. military actions, disaster mitigation efforts, and other significant actions. Many of

these records have been scheduled as permanently valuable but have not been transferred to the National Archives in a timely fashion.

### ***Records Management Study***

During FY 2010, NARA conducted a study on Federal web 2.0 and social media use. The purpose of the study was to gather information on how Federal agencies use web 2.0 tools to create and share information and how this might affect the value of the recorded information in the tools. Tools studied included internal and external blogs, wikis, social networking, and other collaborative web-based technologies. The study concluded that based upon function and use, records created should continue to be assessed based upon business, evidential, informational, and contextual values. It identified five major characteristics that may affect the value of the records and information maintained in these formats and also proposed several recommendations for future actions to improve the management of these types of records. In FY 2011, NARA plans to implement actions to address the recommendations. For more information about the FY 2010 records management study, please see <http://www.archives.gov/records-mgmt/resources/web2.0-use.pdf>.

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

In FY 2010, NARA continued its partnerships with Federal agencies to increase the number of electronic records series and systems scheduled across the Government and to increase the number of permanent electronic records transferred to the National Archives. Continuing the approach begun in 2004 following the passage of the E-Government Act of 2002, NARA concentrated on the important electronic records of the CFO Act agencies to ensure that all existing records are scheduled even though the September 30, 2009, deadline established by NARA in accordance with the Act has passed. NARA's continuing efforts to monitor agency electronic record scheduling progress (as described in NARA Bulletin 2010-02) will ensure that agency business assets are maintained for as long as needed to protect the legal and financial rights of the Government and its citizens, and to preserve records of enduring historical value. We reported the results of Federal agency compliance with the E-Government Act in a separate report to Congress and OMB in FY 2010 (discussed in more detail in the following section).

In FY 2010, NARA continued to provide support to agencies to help them schedule their electronic records. For FY 2010, NARA set a goal to work with Federal agencies to schedule 873 electronic records series and electronic systems from the following CFO Act agencies and their components and bureaus:

Department of Homeland Security  
Department of Health and Human Services  
Department of Transportation  
Department of Justice  
Department of the Treasury  
Environmental Protection Agency  
Department of Commerce  
Department of Interior  
Department of Education  
Department of Agriculture

Department of Labor  
Central Intelligence Agency  
Department of Defense  
Department of State  
Nuclear Regulatory Commission

As of September 30, 2010, NARA met 94 percent of this goal, and approved schedules for 820 electronic systems and series of records.

**Summary Report of NARA's Electronic Records Project, FY 2004 – FY 2009  
(including FY 2010 Updates)**

NARA published its “*Electronic Records Project Summary Report, FY 2005-2009*” to Congress and OMB in FY 2010, summarizing the work completed with agencies over the past five years to schedule all their electronic records series and systems, and to transfer permanently valuable records to NARA. This report is available on the NARA website at <http://www.archives.gov/records-mgmt/resources/e-records-report.pdf>. While the report includes more detail than is provided below, the following sections discuss selected agency achievements and other areas where NARA believes serious risks in agency records management programs need to be addressed. Since the publication of the summary report, NARA has received updated information from Federal agencies regarding the status of their electronic records activities in FY 2010. These data are included below.

The E-Government Act of 2007 and NARA Bulletin 2006-02 formally established a Government-wide deadline of September 30, 2009, for agencies to submit records schedules to NARA for all their existing electronic records. As part of the Electronic Records Project, NARA requested status reports from agencies and tracked progress towards meeting this goal. In particular, NARA advised agencies to concentrate on scheduling electronic records supporting their core mission rather than records relating to administrative or housekeeping functions that are typically covered under NARA's General Records Schedules. By the September 30, 2009, deadline, NARA had received electronic records scheduling reports from 160 of 240 Federal agencies for a 67 percent response rate.

*FY 2010 Update:* As of September 30, 2010, NARA received electronic records scheduling reports from 233 of 269 Federal agencies for an 87 percent response rate.

A closer look at the reported information and how it corresponds to the identified risk categories is described in more detail below:

**Non-respondents:** Thirty-three percent of 240 Federal agencies did not respond to NARA's requests for information. NARA is concerned with the high percentage of non-respondents and continues to work with agencies to improve this number, focusing primarily on advocacy and training. NARA recognizes that this is a resource-intensive activity for Federal agencies, and as such, NARA needs to make the reporting process simpler for agencies to complete, including developing tools such as templates or web-enabled forms to facilitate this task.

***FY 2010 Update:*** Thirteen percent of 269 Federal agencies did not respond to NARA's requests for information. NARA is encouraged that the percentage of non-respondents has decreased; however, we are concerned that large agencies such as the Department of Veterans Affairs (VA) and the Office of Personnel Management (OPM) have not submitted status reports.

**Low Risk Agencies:** Forty-two percent of the agencies have submitted records schedules for 90percent or more of their e-records. For agencies in this category, it is less likely that e-records will be inappropriately managed or at risk of accidental or unauthorized destruction. Agencies that have taken the proper steps to identify and schedule their records have a better understanding of the information they create and maintain, and therefore, are better positioned to capture and preserve it. NARA needs to continue working with agencies to improve this percentage and promote full compliance with the E-Government Act requirements.

***FY 2010 Update:*** Forty-seven percent of Federal agencies have submitted records schedules for 90 percent or more of their e-records. This represents an increase above the FY 2009 percentage.

**Moderate Risk Agencies:** Eleven percent of the agencies have submitted records schedules for 60 to 89percent of their e-records. These agencies warrant continued monitoring and NARA assistance as needed to improve compliance.

***FY 2010 Update:*** Twelve percent of Federal agencies have submitted records schedules for 60 to 89 percent of their e-records. Based upon percentage, there has been no statistical change in this category.

**High Risk Agencies:** Fourteen percent of the agencies were categorized as high risk, having 59 percent or less of their e-records appropriately scheduled. NARA will continue to reach out to these agencies to learn more about their records scheduling activities and offer records management assistance as necessary. In certain cases, NARA will consider performing an on-site agency inspection to evaluate records management risks and other related areas of concern.

***FY 2010 Update:*** Nineteen percent of the agencies were categorized as high risk, having 59 percent or less of their e-records appropriately scheduled. These figures are a concern in that both the percentage and number of high risk agencies have increased across the Government. In particular, two agencies – the Federal Emergency Management Agency (FEMA) and the National Institute of Standards and Technology (NIST) – have reported making no progress on scheduling their existing electronic records.

***Electronic records scheduling.*** Between FY 2005 and FY 2009, NARA staff received and approved records schedules covering 2,404 series of electronic records. To improve the agency response rate and compliance percentage, NARA will continue to advocate for the scheduling and transfer to NARA of electronic records. Going forward, NARA will explore new strategies and partnerships to promote the goals of the Electronic Records Project. Though the September 30, 2009, deadline has passed, NARA views electronic record scheduling as an ongoing activity and will continue to provide oversight,

guidance, and training until all Federal agencies are compliant with the requirements in NARA Bulletins and the E-Government Act.

**Electronic Records Transferred to NARA.** As a result of NARA’s targeted agency strategy, NARA was able to increase the volume of eligible permanent electronic records transferred to NARA. Also, as a result of the E-Records Project, NARA staff were invited to brief agency personnel concerning a wide-variety of electronic records transfer issues. NARA staff, and in particular the staff of the Electronic and Special Media Records Services Division (NWME) will continue advocacy efforts with agencies. In addition, NARA found that staff contacts with agencies concerning targeted transfers prompts agencies to review the transfer status of other records and transfer them as well if they are due.

**Electronic Records Transferred to NARA**

In FY 2010, NARA registered 192 transfers of permanent electronic records from 44 agencies and an additional accession of donated historical materials in electronic form. The table below lists the agencies, by their departments, that have transferred electronic records to the National Archives for permanent preservation in FY 2010.

Department	Agency	Transfers Received in FY 2010
Department of Agriculture	Agricultural Research Service	1
Department of Agriculture	Cooperative State Research, Education and Extension Service	3
Department of Agriculture	Foreign Agriculture Service	2
Department of Agriculture	National Agricultural Statistics Service	8
Department of Commerce	Census, Bureau of the	23
Department of Defense	Army Staff	1
Department of Defense	Defense, Office of the Secretary of	2
Department of Defense	National Geospatial - Intelligence Agency	3
Department of Defense	Naval Academy	10
Department of Education	Education, Department of	2
Department of Energy	Energy, Department of	1
Department of Health and Human Services	Administration on Aging	1
Department of Health and Human Services	Centers for Disease Control and Prevention	56
Department of Health and Human Services	Centers for Medicare and Medicaid Services	2
Department of Health and Human Services	Health Resources and Services Administration	2
Department of Homeland Security	Federal Emergency Management Agency	1
Department of Homeland Security	Secret Service, U. S.	1
Department of Homeland Security	U.S. Coast Guard	5
Department of Homeland Security	U.S. Customs and Border Protection	1
Department of Justice	Federal Bureau of Investigation	3
Department of Justice	Law Enforcement Assistance Administration	3
Department of Labor	Employment and Training Administration	3
Department of Labor	Labor-Management Services Administration	4
Department of Labor	Mine Safety and Health Administration	1

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<b>Department</b>	<b>Agency</b>	<b>Transfers Received in FY 2010</b>
Department of the Interior	Bureau of Land Management	2
Department of the Interior	Fish and Wildlife Service	2
Department of the Interior	National Park Service	1
Department of the Interior	Secretary of Interior	1
Department of the Treasury	Bureau of Public Debt	1
Department of the Treasury	Internal Revenue Services	1
Department of Transportation	Federal Aviation Administration	4
Department of Transportation	Federal Highway Administration	5
Department of Transportation	Federal Railroad Administration	1
Environmental Protection Agency	Environmental Protection Agency	21
Equal Employment Opportunity Commission	Equal Employment Opportunity Commission	1
Federal Communications Commission	Federal Communications Commission	1
Federal Reserve System	Federal Reserve System	1
National Aeronautics and Space Administration	National Aeronautics and Space Administration	1
National Foundation on the Arts and the Humanities	National Endowment for the Arts	3
National Science Foundation	National Science Foundation	1
Office of Personnel Management	Office of Personnel Management	2
Small Business Administration	Small Business Administration	1
Temporary Committees, Commissions, and Boards	Temporary Committees, Commissions and Boards	1
United States Tax Court	U.S. Tax Court	1
	Donation	1
	<b>TOTAL</b>	<b>192</b>

For FY 2010, NARA targeted a selection of disposition authorities from CFO Act agencies and their components that had permanent electronic records eligible for transfer in FY 2010. Of the transfers received in FY 2010, 183 came from CFO Act agencies. The table below identifies the CFO Act agencies from which we have received transfers in FY 2010, distinguishing the transfers that related to a targeted disposition authority from other transfers.

<b>CFO Departments</b>	<b>Agency</b>	<b>Targeted Disposition Authorities for Accessions Received FY 2010</b>	<b>Transfers Received FY 2010 with Targeted Disposition Authorities</b>	<b>Transfers Received FY 2010 from Non-Targeted Disposition Authorities</b>
Agriculture	Agricultural Research Service	0	0	1
Agriculture	Cooperative State Research Service	1	2	1
Agriculture	Foreign Agricultural Service	1	2	0
Agriculture	National Agricultural Statistics Service	7	7	1
Commerce	Census, Bureau of the	6	21	1

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<b>CFO Departments</b>	<b>Agency</b>	<b>Targeted Disposition Authorities for Accessions Received FY 2010</b>	<b>Transfers Received FY 2010 with Targeted Disposition Authorities</b>	<b>Transfers Received FY 2010 from Non-Targeted Disposition Authorities</b>
Defense	Army Staff	1	1	0
Defense	National Geospatial - Intelligence Agency	3	3	0
Defense	Navy, Department of	1	0	0
Defense	Office of the Secretary, Dept Defense	2	2	0
Defense	U.S. Naval Academy	0	10	0
Education	Department of Education	2	2	0
Energy	Department of Energy	1	1	0
Health & Human Services	Administration on Aging	0	0	1
Health & Human Services	[former] Public Health Service	5	0	0
Health & Human Services	Centers for Disease Control and Prevention	2	27	29
Health & Human Services	Centers for Medicare and Medicaid Services	0	0	2
Health & Human Services	Health Resources and Services Administration	0	2	0
Homeland Security	Customs and Border Protection	0	1	0
Homeland Security	Federal Emergency Management Agency	1	1	0
Homeland Security	Secret Service, U.S.	1	1	0
Homeland Security	U. S. Coast Guard	5	3	2
Interior	Bureau of Land Management	1	2	0
Interior	Department of the Interior	1	1	0
Interior	National Park Service	0	0	1
Interior	U. S. Fish and Wildlife Service	0	0	2
Justice	Federal Bureau of Investigation	0	0	3
Justice	Office of Justice Programs formerly <i>Law Enforcement Assistance Administration</i>	1	3	0
Labor	Employment and Training Administration	0	0	3
Labor	Labor-Management Services Administration	0	0	4
Labor	Mine Safety and Health Administration	1	1	0
Transportation	Federal Aviation Administration	4	4	0
Transportation	Federal Highway Administration	0	0	5
Transportation	Federal Railroad Administration	0	0	1
Treasury	Bureau of the Public Debt	1	1	0

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<b>CFO Departments</b>	<b>Agency</b>	<b>Targeted Disposition Authorities for Accessions Received FY 2010</b>	<b>Transfers Received FY 2010 with Targeted Disposition Authorities</b>	<b>Transfers Received FY 2010 from Non-Targeted Disposition Authorities</b>
Treasury	Internal Revenue Services	0	0	1
EPA	Environmental Protection Agency	2	14	7
NASA	National Aeronautics and Space Administration	1	1	0
NSF	National Science Foundation	1	1	0
OPM	Office of Personnel Management	1	1	1
SBA	Small Business Administration	0	0	1
<b>Total</b>		<b>53</b>	<b>115</b>	<b>68</b>

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

Under 44 U.S.C 3106, Federal agencies are required to notify the Archivist of the United States of any alleged unauthorized disposition of an 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 2010 cases are as follows:

Open cases, start of FY 2010: 23  
 Cases opened in FY 2010: 23  
 Cases closed in FY 2010: 18  
 Open cases, end of FY 2010: 28

Of the 28 cases open at the end of FY 2010, 10 cases are involved in ongoing litigation and three cases are under investigation by the agency. NARA monitors the status of these cases and is not reporting them here. Table 1 lists the 15 cases that are open and are pending action by the agency or review by NARA. Table 2 lists the 18 cases that were closed in FY 2010.

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

<b>Case Opened</b>	<b>Agency</b>	<b>Records</b>	<b>Status</b>
August 1998	<b>Dept. of Army,</b> Office of Deputy Chief of Staff for Operations and Plans	Records of action officers	Pending agency response or follow-up
March 1999	<b>Dept. of Interior,</b> Bureau of Indian Affairs	Records of Crow Agency, Montana	Pending agency response or follow-up
July 2007	<b>Federal Labor Relations Authority</b>	Records of FLRA Chair	Pending agency response or follow-up
April 2008	<b>Dept. of Defense,</b> Office of Secretary of Defense	Video recordings of interrogations	Pending NARA review
May 2008	<b>Dept. of Defense,</b>	Video recordings of interrogations	Pending NARA review

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<b>Case Opened</b>	<b>Agency</b>	<b>Records</b>	<b>Status</b>
	Defense Intelligence Agency	of terrorism suspect	
December 2008	<b>Dept. of Defense</b> , Office of the Secretary of Defense	Documents relating to torture issue	Pending agency response or follow-up
February 2009	<b>Dept. of Homeland Security</b>	Hard copies of Secretary's briefing books	Pending agency response or follow-up
August 2009	<b>Federal Trade Commission</b>	Consumer complaint letters	Pending agency response or follow-up
November 2009	<b>Dept. of Defense</b> , Office of Secretary of Defense	Email and electronic records of Coalition Provisional Authority, Iraq	Pending agency response or follow-up
November 2009	<b>Dept. of Veterans Affairs</b>	Records destroyed by flood	Pending agency response of follow-up
January 2010	<b>Dept. of Agriculture</b> , Food and Nutrition Service	Records relating to food stamp program	Pending NARA review
February 2010	<b>Dept. of Justice</b> , Office of Legal Counsel	Email records	Pending agency response or follow-up
March 2010	<b>Dept. of Interior</b> , Bureau of Indian Affairs, Office of the Special Trustee for American Indians	Records at agency locations in western U.S.	Pending agency response or follow-up
June 2010	<b>Securities and Exchange Commission</b>	Matter Under Inquiry files	Pending agency response or follow-up
August 2010	<b>Dept. of Interior</b> , Bureau of Indian Affairs, Office of the Special Trustee for American Indians	Records in agency facility in Albuquerque, NM	Pending agency response or follow-up

Table 2 covers cases of alleged unauthorized disposition that were closed in FY 2010. The table specifies those allegations that are founded, for which the agency takes corrective action to prevent additional unauthorized dispositions.

*Cases closed in FY 2010*

<b>Case Opened</b>	<b>Agency</b>	<b>Records</b>	<b>Resolution</b>
January 2003	<b>Dept. of Justice</b> , Federal Bureau of Investigation	Field office investigative case files concerning Leonard Peltier	Allegation not founded
May 2007	<b>Executive Office of the President</b> , Office of Administration	Federal records in White House e-mail system	Allegation founded-corrective action taken
July 2009	<b>National Aeronautics and Space Administration</b>	Procurement records at Ames Research Center	Allegation founded-corrective action taken
August 2009	<b>Dept. of Defense</b> , Defense Contract Management Agency	Records lost in fire in Ottawa, Canada	Allegation founded-corrective action taken
October 2009	<b>Dept. of Interior</b> , Minerals Management Service	Records destroyed by Wyoming State Audit Office employees	Allegation founded-corrective action taken
October 2009	<b>Dept. of Labor</b>	Electronic records	Allegation not founded
October 2009	<b>National Archives and Records Administration</b>	Cooperative source files of Drug Enforcement Administration	Allegation founded-corrective action taken
October 2009	<b>Social Security Administration</b>	Records destroyed by tsunami in American Samoa	Allegation founded-corrective action taken

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<b>Case Opened</b>	<b>Agency</b>	<b>Records</b>	<b>Resolution</b>
November 2009	<b>Dept. of Agriculture</b> , Rural Development	Records destroyed by tsunami in American Samoa	Allegation founded- corrective action taken
November 2009	<b>Dept. of Justice</b> , Executive Office for U.S. Attorneys	Hard copies of Director's correspondence	Allegation founded- corrective action taken
December 2009	<b>Dept. of Interior</b> , National Park Service	Records destroyed by tsunami in American Samoa	Allegation founded- corrective action taken
January 2010	<b>Dept. of Defense</b> , Defense Intelligence Agency	Conditional Offer of Employment records	Allegation founded – corrective action taken
January 2010	<b>Dept. of Justice</b> , Federal Bureau of Investigation	HQ 157-164 case file	Allegation founded – corrective action taken
March 2010	<b>Dept. of Veterans Affairs</b> , Harry S. Truman Memorial Veterans' Hospital	Quality control records for nuclear camera	Allegation founded – corrective action taken
March 2010	<b>National Labor Relations Board</b>	Temporary case files	Allegation founded – corrective action taken
May 2010	<b>Export-Import Bank of the United States</b>	Copies of cables received from State Department	Allegation founded – corrective action taken
July 2010	<b>Dept. of Justice</b> , Federal Bureau of Investigation	Records in Police Training System	Allegation founded – corrective action taken
September 2010	<b>Dept. of Justice</b> , Federal Bureau of Investigation	Inspection working papers	Allegation founded – corrective action taken

## Definitions

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

<b>Goal 1</b>		<b>Our Nation's Record Keeper</b>
Federal agency reference request		A request by a Federal agency to a records center requesting the retrieval of agency records.
<b>Goal 2</b>		<b>Preserve and Process</b>
Accession		Archival materials transferred to the legal custody of NARA.
Appropriate space		Storage areas that meet physical and environmental standards for the type of materials stored there.
At-risk		Records that have a media base near or at the point of deterioration to such an extent that the image or information in the physical media of the record is being or soon will be lost, or records that are stored on media accessible only through obsolete or near-obsolete technology.
Declassification Program review		An evaluation by the Information Security Oversight Office (ISOO) of the declassification aspects of an executive branch agency's security classification program to determine whether an agency has met the requirements of Executive Order 13526. The review may include the appropriateness of agency declassification actions, the quality of agency actions to identify classified equities of other agencies, and the appropriateness of agency action to exempt records from automatic declassification based upon application of declassification guidance or the application of file series exemptions approved by the Interagency Security Classification Appeals Panel (ISCAP). The results of a declassification program review, along with any appropriate recommendations for improvement, are reported to the designated agency senior official for Executive Order 13526.
Equity-holding agency		An agency that may have classified information in a document, whether or not it created the document. Without providing a waiver for the declassification of its equities, only the equity-holding agency can declassify information in the document.
<b>Goal 3</b>		<b>Electronic Records</b>
Gigabyte		An International System of Units (SI) standard unit. A measure of computer data size. A gigabyte is one thousand megabytes, $1,000^3$ bytes.  Referred to as gibibyte when using the International Electrotechnical Commission standard unit based on a multiplier of 1024 bytes as a measure for a Kilobyte.
Logical data record		A set of data processed as a unit by a computer system or application independently of its physical environment. Examples: a word processing document; a spreadsheet; an email message; each row in each table of a relational database or each row in an independent logical file database.
Megabyte (Mb)		An International System of Units (SI) standard unit. A measure of computer data size. A megabyte is one million bytes, $1,000^2$ bytes.

Referred to as mebibyte when using the International Electrotechnical Commission standard unit based on a multiplier of 1024 bytes as a measure for a Kilobyte).

Preserved	(1) The physical file containing one or more logical data records has been identified and its location, format, and internal structure(s) specified; (2) logical data records within the file are physically readable and retrievable; (3) the media, the physical files written on them, and the logical data records they contain are managed to ensure continuing accessibility; and (4) an audit trail is maintained to document record integrity.
Terabyte (Tb)	An International System of Units (SI) standard unit. A measure of computer data size. A terabyte is one million megabytes, 1,000 <sup>4</sup> bytes  Referred to as tebibyte when using the International Electrotechnical Commission standard unit based on a multiplier of 1024 bytes as a measure for a Kilobyte.

<b>Goal 4</b>	<b>Access</b>
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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.

<b>Goal 6</b>	<b>Infrastructure</b>
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Applicant	Any U.S. citizen who completed an application for a specific position.
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Leadership position	A supervisory position at grade GS-13 or above and non-supervisory positions at grade 15 or above.
NARANET	NARANET is the primary general support system of NARA, providing standard desktop applications, email and calendaring functions, network transport and Internet access to NARA staff and support personnel.
Staff development plan	An individualized plan to enhance employees' knowledge, skills, and abilities and improve performance in their current jobs or of duties outside their current jobs, in response to organizational needs and human resource plans.
Underrepresented groups	Groups of people tracked by the U.S. Equal Employment Opportunity Commission: Minority groups (Black/African American, Latino-Hispanic, Asian, Native Hawaiian/Pacific Islander, and American Indian/Alaskan Native); Women; People with Disabilities.



## SECTION 3

# FINANCIAL SECTION

## A Message from the Chief Financial Officer



I am pleased to present the National Archives and Records Administration (NARA) consolidated financial statements for the fiscal year 2010 Performance and Accountability Report. For the fifth consecutive year, an independent auditor has rendered an unqualified opinion on the NARA financial statements and identified no material weaknesses over our financial reporting.

During FY 2010, we successfully enhanced our procedures in the property accounting area to address a significant deficiency in internal control over financial reporting, and we continued with the implementation of internal controls in the area of personal property management including the implementation of a new property accounting system.

This year we also continued to streamline and improve our financial reporting processes, simplifying and accelerating the process for estimating accrued accounts payable, and achieving higher response rate and accuracy.

NARA is continuing its effort to address the ongoing, ever evolving, challenge related to Information Technology security facing us, along with other Federal and private entities, given the rapid pace of technological changes.

We took aggressive steps to resolving our holdings security material weakness by creating a new Holdings Protection team whose charter is to assist program managers across NARA to assess the risks and develop appropriate compensating internal controls to protect our holdings.

I wish to acknowledge our staff for their dedication to NARA's mission and their diligent efforts in maintaining the unqualified opinion on our financial statements. We extend our appreciation to our financial service provider for their continued and consistent professional support.

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

A handwritten signature in black ink, appearing to read 'RJ', with a long, sweeping flourish extending to the right.

Richard Judson  
Acting Assistant Archivist for Administration and  
Chief Financial Officer

## Auditor's Reports (FY 2010)

### *Inspector General's Summary*

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION  
ANNUAL FINANCIAL STATEMENT  
FISCAL YEAR 2010

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, 2010 and 2009. We contracted with the independent certified public accounting firm of Cotton & Company, LLP (C&C) to perform the fiscal years 2010 and 2009 audits. The audit was done in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; applicable provisions of the OMB Bulletin No. 07-04 *Audit Requirements for Federal Financial Statements*, as amended, and the GAO/PCIE *Financial Audit Manual*.

In its audit of NARA's financial statements, C&C's opinion states that the financial statements present fairly, in all material respects, the financial position of NARA as of September 30, 2010 and 2009, and its net cost, changes in net position, and budgetary resources for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

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

In connection with the contract, we reviewed C&C's report and related documentation and inquired of its representatives. Our review, as differentiated from an audit in accordance with U.S. generally accepted government auditing standards, was not intended to enable us to express, as we do not express, opinions on NARA's financial statements or conclusions about the effectiveness of internal control; or conclusions on compliance with laws and regulations. C&C is responsible for the attached auditor's report dated November 12, 2010, and the conclusions expressed in the report. However, our review disclosed no instances where C&C did not comply, in all material respects, with generally accepted government auditing standards.

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<sup>1</sup> 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.

<sup>2</sup> A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of an entity's financial statements will not be prevented, or detected and corrected on a timely basis.

*Independent Auditor's Report (FY 2010)*



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The Inspector General  
National Archives and Records Administration

**INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying consolidated balance sheet of the National Archives and Records Administration (NARA) as of September 30, 2010 and 2009, and the related Statements of Net Cost, Changes in Net Position, and Budgetary Resources for the years then ended. These financial statements are the responsibility of NARA management. Our responsibility is to express an opinion on the financial statements based on our audits.

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

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of NARA as of September 30, 2010 and 2009, and its net cost, changes in net position, and budgetary resources for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our reports dated November 12, 2010, on our consideration of NARA's internal control over financial reporting, and on our tests of NARA's compliance with certain provisions of laws and regulations and other matters. The purpose of those reports is to describe the scope of our testing on internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report, in considering the results of our audits.

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

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

COTTON & COMPANY LLP

Colette Y. Wilson  
Partner



Alexandria, Virginia  
November 12, 2010



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The Inspector General  
National Archives and Records Administration

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

We have audited the financial statements of the National Archives and Records Administration (NARA) as of September 30, 2010 and 2009, and have issued our report thereon dated November 12, 2010. We conducted our audits in accordance with auditing standards generally accepted in the United States of America; standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) audit guidance.

In planning and performing our audits of NARA's financial statements as of and for the year ended September 30, 2010 and 2009, in accordance with auditing standards generally accepted in the United States of America, we considered NARA's internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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 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.

Our consideration of internal control was for the limited purpose described in the second paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control that we consider to be a significant deficiency. 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.

#### INFORMATION TECHNOLOGY

During Fiscal Year (FY) 2010, NARA continued to make improvements in its information technology (IT) control environment by addressing recommendations made in previous audits. Improvements are still needed in the IT control areas of access controls and configuration management, as noted below and in Appendix A to this report.

In addition, contingency planning and security management issues identified in prior years also remain open. Deficiencies identified during the FY 2010 financial statement audit are discussed below. These issues, combined with open recommendations from the prior-year financial statement audit (see Appendix A), collectively represent a significant deficiency in internal control over financial reporting.

#### Access Controls

Access controls provide reasonable assurance that access to computer resources is reasonable and restricted to authorized individuals. NARA's procedures for creating, identifying and authenticating, and providing accountability over NARANet accounts did not ensure that all accounts were properly authorized. Specific issues identified during testing are discussed below.

**Account Creation.** NARA has not implemented sufficient account creation controls to ensure that all new NARANet accounts are requested and authorized by a user's supervisor, or that the help desk ticket/access form process is properly followed. In our tested sample of new accounts, we noted the following issues:

- Proper documentation did not exist to support the creation of the account
- Accounts were created without first obtaining adequate supervisory approval
- Accounts were initiated by the end-user

National Institute of Standards and Technology (NIST) Special Publication (SP) 800-53, Revision 3: *Recommended Security Controls for Federal Information Systems and Organizations*, requires the following:

#### AC-2 ACCOUNT MANAGEMENT

*The organization manages information system accounts, including:*

- a. *Identifying account types (i.e., individual, group, system, application, guest/anonymous, and temporary);*
- b. *Establishing conditions for group membership;*
- c. *Identifying authorized users of the information system and specifying access privileges;*
- d. *Requiring appropriate approvals for requests to establish accounts;...*
- i. *Granting access to the system based on: (i) a valid access authorization; (ii) intended system usage; and (iii) other attributes as required by the organization or associated missions/business functions; and*
- j. *Reviewing accounts [Assignment: organization-defined frequency].*

Without effective account creation/authorization controls in place, NARA cannot ensure that current employees are not requesting unapproved and unauthorized access, potentially making them unauthorized members of groups that can access files and spreadsheets stored on financial share drives. NARA does require a badge to obtain a network account, which serves as a compensating control to ensure this weakness cannot be exploited by an individual who does not already have access to NARA facilities.

**Recommendation 1.** We recommend that the NARA Chief Information Officer (CIO) require a record of logged-in users creating account requests to show that request are being generated by a supervisor, not the user.

**Identification and Authentication.** Identification and Authentication controls provide reasonable assurance that individual users are uniquely identified and authenticated for all accesses other than those explicitly identified and documented by an organization. To properly address this requirement, the unique identification of individuals with access to group accounts (e.g., shared privilege accounts) must be considered for detailed accountability of activity.

NARA has not implemented sufficient Identification and Authentication controls to ensure that the Order Fulfillment and Accounting System (OFAS) application uniquely identifies all application users. We identified a shared domain administrator account within OFAS that is used as an OFAS support team group account with a shared password to perform activities in the OFAS application.

NIST SP 800-53, Revision 3, requires the following:

*IA-2 IDENTIFICATION AND AUTHENTICATION (ORGANIZATIONAL USERS)*

*The information system uniquely identifies and authenticates organizational users (or processes acting on behalf of organizational users).*

*Supplemental Guidance: Organizational users include organizational employees or individuals the organization deems to have equivalent status of employees (e.g., contractors, guest researchers, individuals from allied nations). Users are uniquely identified and authenticated for all accesses other than those accesses explicitly identified and documented by the organization in AC-14. Unique identification of individuals in group accounts (e.g., shared privilege accounts) may need to be considered for detailed accountability of activity.*

Without the ability to uniquely identify and authenticate individual users of the shared Domain Admin account, accountability for activities and events performed by the account cannot be established.

**Recommendation 2.** We recommend that the NARA CIO assign one individual to the shared account, or split responsibilities of the shared account to additional administrator accounts, to allow accountability of administrator activities to be established.

**Audit and Accountability.** Audit and Accountability controls provide reasonable assurance that an organization is complying with required industry standards, as well as its own policies and procedures. NARA has not implemented sufficient audit and accountability controls over audit settings and logging and monitoring, as described below.

- **Audit Settings.** Audit Settings within an information system define what events or activities generate an audit log and what information about the event is recorded is included in the log. During the audit, we noted that NARANet's audit settings were not configured to log group membership add and delete activities.
- **Logging and Monitoring.** Logging and Monitoring is the process an organization follows to track, review, and escalate (if necessary) the events captured in audit logs generated by the system/OS/network/application. During the audit, we noted that NARA's Audit and Accountability Methodology is not being enforced or followed. General Support System (GSS) and application-specific issues noted during testing are discussed below:
  - **OFAS.** Controls were not adequate to ensure that the OFAS application was configured to log all required auditable events (per NARA IT Security Methodology for Audit and Accountability) and that procedures were implemented to appropriately review these logs on a regular basis. OFAS was reconfigured on September 29, 2010, to begin to log account creations, deletions, and modifications. Before this, settings were not in place, and there is still no formal process for reviewing the logs periodically.
  - **NARANet.** NARA personnel reviewed network activity logs on an as-needed basis, but not routinely and periodically. Management is currently working to address this by implementing a log consolidation and monitoring tool, Netforensics.
  - **RCPBS.** Controls were not adequate to ensure that the Records Center Program Billing System (RCPBS) application was configured to log all required auditable events (per NARA IT Security Methodology for Audit and Accountability) and that procedures were implemented to appropriately review these logs on a regular basis. We found no evidence to show that RCPBS is configured to log all required events, or that standard log monitoring procedures were established and are being performed.

NIST SP 800-53, Revision 3, requires the following:

*AU-6 AUDIT REVIEW, ANALYSIS, AND REPORTING*

*The organization:*

- a. Reviews and analyzes information system audit records [Assignment: organization-defined frequency] for indications of inappropriate or unusual activity, and reports findings to designated organizational officials; and*
- b. Adjusts the level of audit review, analysis, and reporting within the information system when there is a change in risk to organizational operations, organizational assets, individuals, other organizations, or the Nation based on law enforcement information, intelligence information, or other credible sources of information.*

Additionally, NARA IT Security Methodology for Audit and Accountability, dated July 15, 2009, requires the following:

## 2 AUDITABLE EVENTS [AU-2]

*This section describes how NARA meets the NARA IT Security Architecture control [AU-2] for Auditable Events.*

*NARA's security policy for Auditable Events is as follows:*

*NARA Office of IT Services (NH) develops, disseminates, and at least annually reviews and updates a formal, documented audit and accountability policy that addresses purpose, scope, roles, responsibilities, management commitment, coordination among NARA entities, and compliance; and formal, documented procedures to facilitate the implementation of the audit and accountability policy and associated audit and accountability controls.*

*NARA's security requirements for Auditable Events are as follows:*

*[AU-2.1] Each information system generates audit records for the following events:*

- *Startup and shutdown*
- *Account Creation*
- *Authentication*
- *Authorization and Permission granting/changing*
- *Actions by trusted users*
- *Password changes for privileged users*
- *Unsuccessful login attempts*

*[AU-2.2] NH shall identify important events which need to be audited as significant and relevant to the security of each information system. System Owner shall identify any additional specific events relevant to the system's sensitivity level. Audit records shall be generated at various levels of abstraction, including at the packet level as information traverse the network. System Owner shall specify in the SSP which information system components carry out auditing activities. The security audit function shall coordinate with the network health and status monitoring function to enhance the mutual support between the two functions by the selection of information to be recorded by each function.*

Without appropriately configured audit settings and an effective logging and monitoring process, management cannot ensure that only appropriate accesses and activities are taking place.

**Recommendation 3.** We recommend that the NARA CIO:

- Reconfigure audit settings within the NARANet Novell environment to log group membership add and delete activities.
- Continue with the implementation of Netforensic and, once in place, ensure that procedures exist for identifying key events that will be alerted to and reviewed by management on a periodic basis.
- Continue with efforts to audit account creations, deletions, and modifications within OFAS and develop standard procedures for regularly reviewing and monitoring application audit logs.

- Enable logging of all events within RCPBS, required by NARA IT Security Methodology for Audit and Accountability, and develop standard procedures for regularly reviewing and monitoring application activity logs.

**Configuration Management**

Configuration Management controls provide reasonable assurance that changes to an organization's IT infrastructure, hardware, or software are properly managed and tracked, and that baseline configurations are defined and configured within the production environment. During testing, we identified issues with NARA's baseline configuration practices. They are discussed below.

Configuration baselines provide current specifications for how an information system/network device, application, hardware, and software are built. Additionally, baselines provide individuals with configuration management responsibilities within the organization, a benchmark to compare against actual configurations.

NARA has developed configuration instructions and has a beginning baseline for configuration for switches. Configuration instructions or baselines are not, however, in place for NARA's routers and firewalls. The current baseline is not based on and does not address all areas in approved checklists for router and firewall platforms and devices in use contained in NIST SP 800-70, *National Checklist Program for IT Products – Guidelines for Checklist Users and Developers*.

NIST SP 800-53, Revision 3, requires the following:

*CM-6 CONFIGURATION SETTINGS*

*The organization:*

- Establishes and documents mandatory configuration settings for information technology products employed within the information system using [Assignment: organization-defined security configuration checklists] that reflect the most restrictive mode consistent with operational requirements;*
- Implements the configuration settings;*
- Identifies, documents, and approves exceptions from the mandatory configuration settings for individual components within the information system based on explicit operational requirements; and*
- Monitors and controls changes to the configuration settings in accordance with organizational policies and procedures.*

Additionally, NARA IT Security Methodology for Configuration Management, dated January 13, 2010, requires the following:

*6 Configuration Settings [CM 6]*

*This section describes how NARA meets the NARA IT Security Architecture control [CM-6] for Configuration Settings.*

*NARA's security policy for Configuration Settings is as follows:*

*NARA Office of Information Services (NH) establishes mandatory configuration settings for information technology products employed within the information system, configures the security settings of information technology products to the most restrictive mode consistent with operational requirements, documents the configuration settings, and enforces the configuration settings in all components of the information system.*

*NARA's security requirements for Configuration Settings are as follows:*

*[CM-6.1] NH shall establish mandatory configuration settings for information technology products employed within the information system, configure the default security settings of information technology products to the most restrictive mode consistent with operational requirements, document the configuration settings, and enforce the configuration settings in all components of the information system.*

*[CM-6.2] NH shall monitor and control changes to the configuration settings in accordance with NARA policies and procedures.*

*[CM-6.3] NIST SP 800-70 shall be used for guidance on producing and using configuration settings (i.e., checklists) for information technology products employed in NARA information systems.*

*[CM-6.4] For high integrity information systems, NARA shall employ mechanisms to centrally manage, apply and verify configuration settings.*

The absence of documented full configuration baselines increases the risk that: unauthorized access may occur, security weaknesses could exist within the NARANet architecture and not be detected by management in a timely manner, and computing resources are not in compliance with established baselines.

**Recommendation 4.** We recommend that the NARA CIO improve upon NARA's current router and firewall build process by updating their standard configuration file to be based on NIST-approved security checklists for router and firewall platforms and devices in use by NARA. We also recommend that the final standard configuration be documented and compared against devices to monitor for configuration compliance on a periodic basis.

#### STATUS OF PRIOR-YEAR RECOMMENDATIONS

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

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

In addition to the significant deficiency described above, we noted certain matters involving internal control and its operation that will be reported to NARA management in a separate letter.

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

COTTON & COMPANY LLP



Colette Y. Wilson, CPA  
Partner

Alexandria, Virginia  
November 12, 2010

**APPENDIX A**  
**NATIONAL ARCHIVES AND RECORDS ADMINISTRATION**  
**STATUS OF PRIOR-YEAR RECOMMENDATIONS**  
**SEPTEMBER 30, 2010**

APPENDIX A  
 NATIONAL ARCHIVES AND RECORDS ADMINISTRATION  
 STATUS OF PRIOR-YEAR RECOMMENDATIONS  
 SEPTEMBER 30, 2010

Condition/Audit Area and Recommendations	Status as of September 30, 2010
<b>Personal Property</b>	
1. Finalize and implement its personal property policies and procedures manual during the first quarter of FY 2010.	Closed
2. Provide personal property-related training to NARA employees.	Closed
3. Design and implement monitoring procedures to ensure NARA employees adhere to personal property-related policies and procedures.	Closed
4. Design and implement procedures to ensure the accountability of assets in the custody of contractors.	Closed
5. Continue to implement personal property accounting functionality within the Maximo system, and in doing so, ensure that the application has adequate functionality to meet the requirements articulated by the Joint Financial Management Improvement Program (JFMIP) in its document titled, Property Management Systems Requirements.	Open, however no longer a significant deficiency. This deficiency will be reported to management in a separate report.
6. Perform a risk assessment to determine if it has sufficient procedures in place to mitigate risks posed by the manual processes used to account for personal property transactions.	Closed
7. Design and implement controls, as necessary, to address significant risks identified during the risk assessment.	Closed
<b>Access Controls</b>	
8. Implement a process for managing NARANET accounts that:	Partially Open (Termed users are not having access removed in a timely manner. Generic accounts are not catalogued and assigned ownership to an individual.)
a) Requires a recertification of all system accounts at least annually.	
b) Ensures all accounts are tied to a specific individual who has the responsibility for managing the account, and determining the ongoing need for non-login accounts.	
c) Identifies inactive accounts on a regular basis and removes access in a timely manner.	
d) Ensures all access and privileges of terminated employees are promptly removed.	
9. Implement a more restrictive password age control for NARANET that is consistent with requirements for Federal information systems.	Closed

Condition/Audit Area and Recommendations	Status as of September 30, 2010
10. Implement a process for managing RCPBS accounts that:	
a) Requires a recertification of all system accounts at least annually.	Open
b) Identifies inactive accounts on a regular basis and removes or disables access in a timely manner.	Closed
c) Implements a more restrictive password age control that is consistent with requirements for federal information systems.	Open
11. Implement compensating logging and monitoring controls for PPMS to ensure that the risk of unauthorized access is mitigated.	Closed
12. Enforce its current policies and procedures used to manage systems and accounts to ensure all access and privileges of terminated employees are promptly removed.	Closed (see 8 d), above)
13. Ensure that supervisors receive training in their exit clearance process responsibilities, including alerting applicable personnel when employees and contractors under their supervision no longer require access.	Open
14. Continue effort to finalize the contract with the independent contractor to provide an assessment of NARA's incident response program, provide targeted training to NARA personnel involved with incident response, and to conduct simulated exercises.	Closed
15. Develop and implement policies and procedures that prohibit RCPBS users from having multiple accounts as well as the ability to enter and approve their own transactions.	Open
<b><u>Contingency Planning</u></b>	
16. Fully implement a contingency planning policy consistent with guidance provided in NIST SP 800-34, Contingency Planning Guide for Information Technology Systems. The policy should include requirements for updating the contingency plan to reflect current operating conditions.	Closed
17. Update the contingency and disaster recovery plans for OFAS to reflect current operating conditions.	Closed
18. Update the contingency and disaster recovery plans for RCPBS to reflect current operating conditions.	Open
<b><u>Security Management</u></b>	
19. Complete risk assessments for all NARNET components.	Open
20. Finalize and approve security plans for all NARANET components.	Open

Condition/Audit Area and Recommendations	Status as of September 30, 2010
21. Certify each NARANET component, then certify and accredit the entire NARANET general support system.	Open
22. Implement policies and procedures which require the completion of security and awareness training before being granted access to NARA information systems.	Open

**APPENDIX B**  
**MANAGEMENT COMMENTS**



NATIONAL  
ARCHIVES

Date: November 9, 2010  
To: Paul Brachfeld, OIG  
From: David S. Ferriero, N  
Subject: FY10 Management Response to Audit Report

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

We are pleased that the Independent Auditor recognizes our progress, as evidenced by an "unqualified" audit opinion on this year's financial statements, downgrading of prior year significant deficiency in personal property management, and recognition of NARA's efforts in addressing the Information Technology control environment.

While challenges remain, I believe NARA has demonstrated its commitment to improved financial management and ability to produce accurate and reliable financial statements. NARA will continue to work diligently to address its challenges, as well as to further improve its financial management processes and related internal controls. We would like to again thank the Office of Inspector General and the Cotton & Company, LLP for working with NARA staff in a professional and dedicated manner.

DAVID S. FERRIERO  
Archivist of the United States

NATIONAL ARCHIVES *and*  
RECORDS ADMINISTRATION  
700 PENNSYLVANIA AVENUE, NW  
WASHINGTON, DC 20408-0001  
[www.archives.gov](http://www.archives.gov)

## Financial Statements and Additional Information (FY2010)

### *Principal Statements*

#### *Consolidated Balance Sheet* *As of September 30, 2010 and 2009* *(in thousands)*

	2010	2009
<b>Assets (Note 2)</b>		
Intragovernmental		
Fund balance with Treasury (Note 2)	\$ 284,115	\$ 256,857
Investments (Note 3)	9,894	11,719
Accounts receivable (Note 4)	14,189	14,789
Total intragovernmental	308,198	283,365
Cash	53	49
Investments (Note 3)	26,914	23,201
Accounts receivable, net (Note 4)	325	328
Inventory, net (Note 5)	1,029	1,024
General property, plant and equipment, net (Note 6)	444,405	420,404
Other Assets	759	814
<b>Total assets</b>	<b>\$ 781,683</b>	<b>\$ 729,185</b>
Stewardship PP&E (Note 7)	-	-
<b>Liabilities</b>		
Intragovernmental		
Accounts payable	\$ 6,096	\$ 4,632
Other (Note 8, 10)	5,722	5,698
Total intragovernmental	11,818	10,330
Accounts payable	50,290	30,328
Debt held by the public (Note 8, 9)	180,981	193,942
Federal employee benefits (Note 8, 10)	11,241	11,097
Other (Note 8, 10)	27,511	24,212
Total liabilities	281,841	269,909
Commitments and Contingencies (Note 12)	-	-
<b>Net Position</b>		
Unexpended appropriations - other funds	196,770	193,346
Cumulative results of operations - earmarked funds (Note 13)	36,961	35,018
Cumulative results of operations - other funds	266,111	230,912
Total net position	\$ 499,842	\$ 459,276
<b>Total liabilities and net position</b>	<b>\$ 781,683</b>	<b>\$ 729,185</b>

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

**National Archives and Records Administration**  
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***Consolidated Statement of Net Cost***  
***For the years ended September 30, 2010 and 2009***  
*(in thousands)*

	<u>2010</u>	<u>2009</u>
<b>Program Costs (Note 14)</b>		
<b>Records and Archives-Related Services</b>		
Gross costs	\$ 386,529	\$ 357,421
Less: Earned revenues	(361)	(977)
<b>Total Net Records and Archives-Related Services Program Costs</b>	<u>386,168</u>	<u>356,444</u>
<b>Trust and Gift Funds</b>		
Gross costs (excluding heritage asset renovation)	15,338	14,432
Less: Earned revenues	(17,230)	(17,912)
<b>Total Net Trust and Gift Fund Program Costs</b>	<u>(1,892)</u>	<u>(3,480)</u>
<b>Electronic Records Archives</b>		
Gross costs	17,127	17,539
Less: Earned revenues	-	-
<b>Total Net Electronic Records Archives Program Costs</b>	<u>17,127</u>	<u>17,539</u>
<b>National Historical Publications and Records Commission Grants</b>		
Gross costs	8,773	6,434
Less: Earned revenues	-	-
<b>Total Net National Historical Publications and Records Commission Grants Program Costs</b>	<u>8,773</u>	<u>6,434</u>
<b>Archives Facilities and Presidential Libraries Repairs and Restoration</b>		
Gross costs (excluding heritage asset renovation)	(287)	1,947
Heritage asset renovation costs (Note 15)	29,855	21,940
Less: Earned revenues	-	-
<b>Total Net Archives Facilities and Presidential Libraries Repairs and Restoration Program Costs</b>	<u>29,568</u>	<u>23,887</u>
<b>Revolving Fund Records Center Storage and Services</b>		
Gross costs	172,655	163,650
Less: Earned revenues	(162,283)	(151,572)
<b>Total Net Revolving Fund Records Center Storage and Services Program Costs</b>	<u>10,372</u>	<u>12,078</u>
<b>Net Cost of Operations</b>	<u><u>\$ 450,116</u></u>	<u><u>\$ 412,902</u></u>

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

***Consolidated Statement of Changes in Net Position***  
***For the years ended September 30, 2010***  
***(in thousands)***

	2010		
	Earmarked Funds	All Other Funds	Consolidated Total
<b>Cumulative Results of Operations</b>			
Beginning Balance	\$ 35,018	\$ 230,912	\$ 265,930
<b>Budgetary Financing Sources</b>			
Appropriations Used	-	462,482	462,482
Non-exchange Revenue	670	-	670
Donations and forfeitures of cash and cash equivalents	1,512	-	1,512
Transfers-in/out without reimbursement	(608)	608	-
Other	108	-	108
<b>Other Financing Sources (Non-Exchange)</b>			
Imputed financing	543	20,940	21,483
Other	1,003	-	1,003
Total Financing Sources	3,228	484,030	487,258
Net Cost of Operations	1,285	448,831	450,116
Net Changes	1,943	35,199	37,142
<b>Cumulative Results of Operations</b>	<b>36,961</b>	<b>266,111</b>	<b>303,072</b>
<b>Unexpended Appropriations</b>			
Beginning Balance	-	193,346	193,346
<b>Budgetary Financing Sources</b>			
Appropriations received	-	469,870	469,870
Other adjustments	-	(3,964)	(3,964)
Appropriations used	-	(462,482)	(462,482)
Total Budgetary Financing Sources	-	3,424	3,424
Total Unexpended Appropriations	-	196,770	196,770
<b>Net Position</b>	<b>\$ 36,961</b>	<b>\$ 462,881</b>	<b>\$ 499,842</b>

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

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

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

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

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

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

**National Archives and Records Administration**  
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***Combined Statement of Budgetary Resources***  
*For the years ended September 30, 2010 and 2009*  
*(in thousands)*

	2010	2009
<b>Budgetary Resources</b>		
Unobligated balance brought forward, October 1:	\$ 97,826	\$ 64,985
Recoveries of prior year unpaid obligations	9,848	8,722
Budget Authority		
Appropriation	473,020	462,753
Spending authority from offsetting collections		
Earned		
Collected	201,692	186,804
Change in receivables from Federal sources	(546)	2,290
Change in unfilled customer orders		
Advance received	(386)	(622)
Without advance from Federal sources	12,310	6,833
Expenditure transfers from trust funds	799	771
Subtotal	686,889	658,829
Permanently not available	16,833	16,352
<b>Total budgetary resources</b>	<b>\$ 777,730</b>	<b>\$ 716,184</b>
<b>Status of Budgetary Resources</b>		
Obligations Incurred		
Direct	469,798	433,832
Reimbursable	197,721	184,527
Subtotal	667,519	618,359
Unobligated Balance		
Apportioned	91,618	78,342
Exempt from apportionment	5,129	7,220
Subtotal	96,747	85,562
Unobligated balance not available	13,464	12,263
<b>Total status of budgetary resources</b>	<b>\$ 777,730</b>	<b>\$ 716,184</b>
<b>Change in Obligated Balance</b>		
Obligated balance, net		
Unpaid obligations, brought forward, October 1	\$ 194,925	\$ 174,105
Less: Uncollected customer payments from Federal sources, brought forward October 1	(24,126)	(15,004)
Total unpaid obligated balance, net	170,799	159,101
Obligations incurred net	667,519	618,359
Less: Gross outlays	(632,854)	(588,817)
Less: Recoveries of prior year unpaid obligations, actual	(9,848)	(8,722)
Change in uncollected customer payments from Federal sources	(11,763)	(9,122)
Obligated balance, net, end of period	219,742	194,925
Unpaid obligations	219,742	194,925
Less: Uncollected customer payments from Federal sources	(35,890)	(24,126)
Total, unpaid obligated balance, net, end of period	183,852	170,799
<b>Net Outlays</b>		
Gross outlays	632,854	588,817
Less: Offsetting collections	(202,106)	(186,954)
Less: Distributed offsetting receipts	(3,152)	(1,343)
Net Outlays	<b>\$ 427,596</b>	<b>\$ 400,520</b>

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

## Notes to Principal Statements

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

#### *A. Reporting Entity*

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

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

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

#### **General Funds**

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

#### **Intragovernmental Fund**

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

#### **Trust Funds**

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

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

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

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

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

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

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

#### *D. Accounts Receivable*

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

#### *E. Investments in Securities*

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

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

a third party investment firm, The Vanguard Group. All third party investments are recorded at fair value and interest income earned is recognized on a monthly basis.

#### *F. Inventories*

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

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

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

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

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

#### *H. Internal Use Software*

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

#### *I. Federal Employee Benefits*

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

All permanent NARA employees are eligible to participate in the contributory Federal Employees Health Benefit Program (FEHBP) and the Federal Employees Group Life Insurance Program (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.

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

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

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

#### *K. Use of Estimates*

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

#### *L. Contingencies and Commitments*

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

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

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

#### *N. Earmarked Funds*

NARA is subject to the Statement of Federal Financial Accounting Standards (SFFAS) Number 27, *Identifying and Reporting Earmarked Funds*, which requires separate identification of the earmarked

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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.

*O. Subsequent Events*

We have evaluated subsequent events and transactions occurring after September 30, 2010 through the date of the auditors' opinion for potential recognition or disclosure in the financial statements. This is also the date that the financial statements were available to be issued.

*Note 2 – Fund Balance with Treasury*

<b>Fund balances (in thousands)</b>	2010	2009
Appropriated funds	\$ 258,240	\$ 230,544
Revolving fund	25,104	25,635
Trust fund	427	419
Gift fund	201	102
Other funds	143	157
<b>Total</b>	<b>\$ 284,115</b>	<b>\$ 256,857</b>

*Status of Fund Balances with Treasury*

Unobligated Balance		
Available	86,657	73,638
Unavailable	13,464	12,263
Obligated Balance not yet disbursed	183,851	170,799
Other funds	143	157
<b>Total</b>	<b>\$ 284,115</b>	<b>\$ 256,857</b>

Unavailable unobligated balance includes the following

Allotments - Expired Authority	\$ 13,464	\$ 12,263
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Restricted donations, included in the available unobligated and obligated balance above, are obligated in accordance with the terms of the donor. All donations to Presidential Libraries and the National Archives with specific requirements are considered restricted as to purpose. The endowments for the Presidential Libraries are restricted and have been obligated and invested in non-federal investments. The restricted balance as of September 30, 2010 is \$14,033 thousand (of which \$753 thousand is unobligated) and \$13,440 thousand as of September 30, 2009 (of which \$1,219 thousand is unobligated).

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

The unused fund balance of \$3,964 thousand in canceled appropriation for FY 2005 was returned to Treasury at the end of the fiscal year.

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*Note 3 – Investments*

Investments as of September 30, 2010 and 2009 consist of the following  
(in thousands)

<b>Amounts for 2010</b>					
	Cost	Interest Receivable	Investments, Net	Other Adjustments	Market value disclosure
<b>Intragovernmental Securities</b>					
Non-Marketable	\$ 9,894	\$ -	\$ 9,894	\$ -	\$ 9,894
<b>Total Intragovernmental</b>	<b>\$ 9,894</b>	<b>\$ -</b>	<b>\$ 9,894</b>	<b>\$ -</b>	<b>\$ 9,894</b>
<b>Other securities</b>					
Vanguard Dividend Growth Fund	734	5	739	60	799
Vanguard Small Cap Index Fund	393	1	394	36	430
Vanguard Intermediate Term Investment	11,880	-	11,880	819	12,699
Emerging Markets Stock Index Fund	974	9	983	86	1,069
Vanguard Developed Markets Index Fund	1,375	11	1,386	(193)	1,193
Vanguard Total Bond Market Index Fund	7,376	-	7,376	728	8,104
Vanguard Total Stock Market Index Fund	1,715	3	1,718	(148)	1,570
Vanguard PRIMECAP Core Fund	1,012	6	1,018	32	1,050
<b>Total Other</b>	<b>25,459</b>	<b>35</b>	<b>25,494</b>	<b>1,420</b>	<b>26,914</b>
<b>Total Investments</b>	<b>\$ 35,353</b>	<b>\$ 35</b>	<b>\$ 35,388</b>	<b>\$ 1,420</b>	<b>\$ 36,808</b>

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Amounts for 2009					
	Cost	Interest Receivable	Investments, Net	Other Adjustments	Market value disclosure
<b>Intragovernmental Securities</b>					
Non-Marketable	\$ 11,719	\$ -	\$ 11,719	\$ -	\$ 11,719
<b>Total Intragovernmental</b>	<b>\$ 11,719</b>	<b>\$ -</b>	<b>\$ 11,719</b>	<b>\$ -</b>	<b>\$ 11,719</b>
<b>Other securities</b>					
Vanguard Dividend Growth Fund	230	1	231	11	242
Vanguard Intermediate Term Investment - Admiral	11,799	-	11,799	(109)	11,690
Emerging Markets Stock Index Fund	791	12	803	(65)	738
Vanguard Developed Markets Index Fund	1,320	34	1,354	(222)	1,132
Vanguard Total Bond Market Index Fund-Admiral	6,777	-	6,777	419	7,196
Vanguard Total Stock Market Index Fund-Admiral	1,512	2	1,514	(265)	1,249
Vanguard PRIMECAP Core Fund	1,004	8	1,012	(58)	954
<b>Total Other</b>	<b>23,433</b>	<b>57</b>	<b>23,490</b>	<b>(289)</b>	<b>23,201</b>
<b>Total Investments</b>	<b>\$ 35,152</b>	<b>\$ 57</b>	<b>\$ 35,209</b>	<b>\$ (289)</b>	<b>\$ 34,920</b>

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

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

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

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

*Note 4 – Accounts Receivable, Net*

Accounts receivable consisted of the following:  
(in thousands)

	2010		2009	
	Intra-governmental	With the public	Intra-governmental	With the public
<b>Accounts receivable</b>	<b>\$ 14,189</b>	<b>\$ 325</b>	<b>\$ 14,789</b>	<b>\$ 328</b>

*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)

	2010	2009
Inventory held for sale	\$ 1,285	\$ 1,283
Allowance for damaged and obsolete goods	(256)	(259)
<b>Net realizable value</b>	<b>\$ 1,029</b>	<b>\$ 1,024</b>

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

The following components comprise Property, Plant and Equipment as of September 30, 2010 and 2009 (in thousands):

				2010	2009
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	390,506	(208,363)	182,143	193,735
Construction and shelving in progress	N/A	17,910	-	17,910	13,270
Equipment & Shelving	3 to 20	112,895	(66,273)	46,622	43,017
Leasehold Improvements	5	16,536	(4,668)	11,868	9,994
Assets under capital lease	20	5,285	(3,755)	1,530	1,794
Internal-use software	5	205,881	(105,855)	100,026	123,907
Software development in progress	N/A	78,147	-	78,147	28,528
<b>Total property, plant and equipment</b>		<b>\$ 833,319</b>	<b>\$ ( 388,914)</b>	<b>\$ 444,405</b>	<b>\$ 420,404</b>

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

**Note 7 - Stewardship PP&E**

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

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

The major categories of heritage assets for NARA are buildings, land, and NARA's archival holdings and artifacts. NARA reports archival holdings by collection (e.g. Presidential, regional) and type of holdings (e.g. traditional, electronic), to more closely align with NARA's processes to maintain and preserve archival holdings.

	Buildings	Multi-Use Land	Traditional Holdings Collections	Electronic Holdings Collections	Artifacts Collections
National Archives Building	1	-	1	1	1
National Archives Building at College Park	1 (multi-use)	-	1	1	1
NARA regional archives	1 (multi-use)	2	13	-	-
Affiliated archives	-	-	7	1	-
Presidential Libraries	12	-	13	4	13
<b>TOTAL</b>	<b>15</b>	<b>2</b>	<b>35</b>	<b>7</b>	<b>15</b>

**Buildings**

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

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

The NARA's regional archives facilities are leased, with the exception of Southeast Regional Facility (SER) in Atlanta, GA, which was constructed on land purchased by NARA. Along with National Archives at College Park, the building and the land are designated as multi-use heritage assets and are included in general PP&E on the Balance Sheet (Note 6).

Our regional archives contain collections of archival holdings of value for genealogical and historical research; such as Federal census information, naturalization records and passenger

lists, as well as closed business and personal bankruptcy case files, civil and criminal case files from Federal courts. The traditional military service records for the 20<sup>th</sup> century and personnel records of former federal civilian employees from mid-1800s through 1951 are managed at the National Personnel Records Center in St. Louis, Missouri.

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

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

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

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

There were no additions to any heritage asset collection, building or land during FY 2010, and no collection is ever retired or disposed. NARA's collections only grow with the accessioning of new records or transfer of Presidential materials. For the accession to take place, the Archivist determines, through the formal scheduling and appraisal process, whether records have sufficient administrative, legal, research or other value to warrant their continued preservation by the Government and for how long (44 USC 3303a). When in the public interest, the Archivist may accept Government records for historical preservation (44 USC 2107) and accept non-Government

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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, 2010 and 2009, consist of the following:

*(in thousands)*

	<u>2010</u>	<u>2009</u>
Intragovernmental		
Workers' compensation	\$ 766	\$ 828
Total intragovernmental	766	828
Debt held by the public	180,981	193,942
Accrued unfunded leave	10,828	10,157
Federal employee benefits -actuarial liability	11,241	11,097
Total liabilities not covered by budgetary resources	203,816	216,024
Total liabilities covered by budgetary resources	78,025	53,885
<b>Total liabilities</b>	<u>\$ 281,841</u>	<u>\$ 269,909</u>

*Note 9 - Debt Held by the Public*

Public Law 100-440 authorized NARA to “enter into a contract for construction and related services for a new National Archives facility. . . . The contract shall provide, by lease or installment payments payable out of annual appropriations over a period not to exceed thirty years.”

In 1989, NARA entered into an installment sale and trust agreement with the trustee, United States Trust Company of New York. Under terms of this agreement, the trustee obtained financing for the construction of the National Archives at College Park through the sale of certificates representing proportionate shares of ownership. NARA is paying off the debt in semiannual installments.

Although the full amount financed of \$301,702 thousand was included (scored) for U.S. budget estimation purposes in fiscal year 1989, NARA requires a congressional appropriation to pay the redemption of debt (principal) and interest costs of \$28,971 thousand, annually. The 25-year semiannual payments of \$14,486 thousand began in 1994 and will be completed in 2019.

<i>(in thousands)</i>	<b>2010</b>	<b>2009</b>
Beginning balance - Principal	\$ 192,578	\$ 204,420
Less : Debt repayment	12,870	11,842
Ending balance - Principal	179,708	192,578
Accrued interest payable	1,273	1,364
<b>Total Debt at September 30</b>	<b>\$ 180,981</b>	<b>\$ 193,942</b>

*Note 10 – Other Liabilities*

Other Liabilities as of September 30, 2010 and 2009 consist of the following:

	<b>2010</b>		
	<b>Non-Current</b>	<b>Current</b>	<b>Total</b>
Intragovernmental			
Workers' and unemployment compensation	\$ 1,242	\$ 1,049	\$ 2,291
Capital lease liability	400	110	510
Accrued payroll	-	2,808	2,808
Advances from others	-	113	113
Total Intragovernmental	1,642	4,080	5,722
Accrued funded payroll and leave	-	16,638	16,638
Unfunded leave	10,828	-	10,828
Other liabilities	-	7	7
Advances from others	-	38	38
<b>Total other liabilities</b>	<b>\$ 12,470</b>	<b>\$ 20,763</b>	<b>\$ 33,233</b>

For FY2009, the actuarial Federal employee benefits (Workers' Compensation) was included as part of the Other Liabilities and detailed in the table below. For FY2010, it is presented as a separate line, Federal employee benefits liability, on the Balance Sheet, and therefore is not included in this note.

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	2009		
	Non-Current	Current	Total
Intragovernmental			
Workers' and unemployment compensation	\$ 1,302	\$ 1,181	\$ 2,483
Capital lease liability	510	102	612
Accrued payroll	-	2,147	2,147
Advances from others	-	456	456
<b>Total Intragovernmental</b>	<b>1,812</b>	<b>3,886</b>	<b>5,698</b>
Accrued funded payroll and leave	-	13,971	13,971
Unfunded leave	10,157	-	10,157
Other liabilities	-	4	4
Advances from others	-	80	80
<b>Total other liabilities</b>	<b>\$ 11,969</b>	<b>\$ 17,941</b>	<b>\$ 29,910</b>

*Note 11 – Leases*

NARA leases office space, vehicles, copiers, and equipment under annual operating leases. These leases are cancelable or renewable on an annual basis at the option of NARA.

The NARA Revolving Fund conducts the major part of its operation from leased facilities, where most agreements are cancelable operating leases. These leases may be cancelled with four months notice, or, in the case of the Atlanta lease, may be terminated for convenience by NARA, under the provisions of the Federal Acquisitions Regulations.

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

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

<b>Capital Leases - NARA as lessee</b>	<b>2010</b>	<b>2009</b>
Summary of assets under capital lease:		
Shelving	\$ 5,285	\$ 5,284
Accumulated amortization	(3,755)	(3,490)
<b>Description of Lease Arrangements</b>		
<b>Future payments due</b>		
<u>Fiscal year</u>		
2011	\$ 146	
2012	146	
2013	146	
2014	146	
2015	13	
After 2015	-	
Total future lease payments	597	
Less: imputed interest	87	
<b>Net capital lease liability</b>	<b>\$ 510</b>	

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

<b>Records facility</b>	<b>Lease Period</b>
Pittsfield, Massachusetts	January 5, 1994 through December 31, 2019
Dayton (Kingsridge), Ohio	September 1, 2004 through December 31, 2022
Lenexa, Kansas	February 1, 2003 through February 14, 2023
St. Louis, Missouri (permanent records)	February 1, 2010 through February 28, 2031
Pershing Rd, Kansas City, MO	January 1, 2009 through December 31, 2028
Ft. Worth-Montgomery, Texas	January 1, 2010 through August 31, 2015

Other non-cancelable operating leases with public corporations are detailed below. The Perris, CA and Atlanta, GA records facilities' leases have three ten year renewal options after the initial period.

<b>Records facility</b>	<b>Lease Period</b>
Perris, CA	December 1, 2004 through November 31, 2024
Atlanta, GA	October 1, 2004 through September 30, 2024
Ft. Worth, Texas	October 1, 2006 through October 31, 2026
The Annex I and II in Valmeyer, Illinois	October 1, 2008 through September 30, 2028

All GSA and public corporation leases include escalation clauses for operating costs tied to inflationary increases and for real estate taxes tied to tax increases. The minimum future lease payments detailed below reflect estimated escalations for such increases. These amounts will be adjusted to the actual costs incurred by the lessor.

In addition, NARA has a non-cancelable operating lease with Potomac Electric Power Company for a parcel of land used for a parking lot at our building in College Park. The lease is for 20 years, from May 2003 through April 2023, and contains a set schedule of payments due.

The schedule below shows the total future non-cancelable lease payments by asset class (in thousands):

<b>Operating Leases - NARA as lessee</b>		
<b>Future payments due:</b>	<b>Asset Category</b>	
<u>Fiscal year</u>	<u>Land</u>	<u>Buildings</u>
2011	\$ 132	\$ 22,744
2012	135	26,630
2013	139	26,909
2014	142	27,140
2015	146	27,111
After 2015	1,231	321,063
<b>Total future lease payments</b>	<b>\$ 1,925</b>	<b>\$ 451,597</b>

*Note 12 – Commitments and Contingencies*

NARA has incurred claims in the normal course of business. As of September 30, 2010, in the opinion of General Counsel, NARA has no material outstanding claims. The aggregate potential loss to NARA on all outstanding claims, with a reasonable possibility of an unfavorable outcome is estimated not to exceed \$120 thousand. Of these amounts, certain settlements or awards on tort claim over \$2,500 may be payable from the U.S. Treasury Judgment Fund in accordance with 31 USC 1304.

*Note 13 - Earmarked Funds*

Earmarked funds are financed by specifically identified revenues, which remain available over time. These specifically identified revenues are required by statute to be used for designated activities, or purposes, and must be accounted for separately from the Government's general revenues. NARA has two funds that are considered earmarked funds; National Archives Trust Fund (NATF) and National Archives Gift Fund (NAGF), which are administered by the National Archives Trust Fund Board.

Congress established the National Archives Trust Fund Board to receive and administer gifts and bequests and to receive monies from the sale of reproductions of historical documents and publications for activities approved by the Board and in the interest of NARA and the Presidential Libraries.

The members of the Board are the Archivist of the United States, who serves as chairman; the Secretary of the Treasury; and the chairman of the National Endowment for the Humanities. Membership on the board is not an office within the meaning of the statutes of the United States. The membership, functions, powers and duties of the National Archives Trust Fund Board shall be as prescribed in the National Archives Trust Fund Board Act of July 9, 1941, as amended (44 U.S. C. 2301-2308). These bylaws are adopted pursuant to the authority vested in the Board by 44 U.S. C. 2303 (3) to adopt bylaws, rules and regulations necessary for the administration of its function under this chapter.

NATF finances and administers the reproduction or publication of records and other historical materials. NAGF accepts, receives, holds and administers, in accordance with the terms of the donor, gifts, or bequests of money, securities, or other personal property for the benefit of NARA activities. The major areas of activity for these funds are Presidential Libraries, the Office of Regional Records Services, and the National Historical Publications and Records Commission.

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Financial Information for NATF and NAGF as of September 30, 2010 and 2009 consists of the following:

(in thousands)	2010		
	NATF	NAGF	Total Earmarked Funds
<b>Balance Sheet as of September 30, 2010</b>			
<b>Assets</b>			
Fund balance with Treasury	\$ 570	\$ 201	\$ 771
Cash	53	-	53
Investments, net	19,175	17,633	36,808
Accounts receivable	355	-	355
Inventory	1,029	-	1,029
Property, plant and equipment	-	-	-
<b>Total assets</b>	<b>21,182</b>	<b>17,834</b>	<b>39,016</b>
<b>Liabilities</b>			
Accounts payable	542	261	803
Federal employee and veteran benefits	389	-	389
Other liabilities	863	-	863
<b>Total liabilities</b>	<b>1,794</b>	<b>261</b>	<b>2,055</b>
<b>Net position</b>			
Cumulative results of operations			
Restricted	-	14,033	14,033
Unrestricted	19,388	3,540	22,928
<b>Total net position</b>	<b>19,388</b>	<b>17,573</b>	<b>36,961</b>
<b>Total liabilities and net position</b>	<b>21,182</b>	<b>17,834</b>	<b>39,016</b>
<b>Statement of Net Cost for the Period Ended September 30, 2010</b>			
Gross Program Costs	16,677	1,873	18,550
Less Earned Revenues	17,265	-	17,265
Net Costs of Operations	<b>\$ (588)</b>	<b>\$ 1,873</b>	<b>\$ 1,285</b>
<b>Statement of Changes in Net Position For the Period Ended September 30, 2010</b>			
Net position, Beginning of fiscal year	18,068	16,950	35,018
Non-exchange revenue	3	667	670
Donations	-	1,512	1,512
Transfers-in/out without reimbursements	186	(794)	(608)
Other Budgetary Financing Sources	-	108	108
Imputed financing from costs absorbed by others	543	-	543
Other Financing Sources	-	1,003	1,003
Total financing sources	732	2,496	3,228
Net cost of operations	(588)	1,873	1,285
Change in Net Position	1,320	623	1,943
<b>Net Position, End of fiscal year</b>	<b>\$ 19,388</b>	<b>\$ 17,573</b>	<b>\$ 36,961</b>

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(in thousands)	2009		
	NATF	NAGF	Total Earmarked Funds
<b>Balance Sheet as of September 30, 2009</b>			
<b>Assets</b>			
Fund balance with Treasury	\$ 576	\$ 102	\$ 678
Cash	49	-	49
Investments, net	17,955	16,965	34,920
Accounts receivable	134	-	134
Inventory	1,024	-	1,024
Property, plant and equipment	11	-	11
Other	1	-	1
<b>Total assets</b>	<b>19,750</b>	<b>17,067</b>	<b>36,817</b>
<b>Liabilities</b>			
Accounts payable	491	117	608
Other liabilities	1,191	-	1,191
<b>Total liabilities</b>	<b>1,682</b>	<b>117</b>	<b>1,799</b>
<b>Net position</b>			
Cumulative results of operations			
Restricted	-	13,440	13,440
Unrestricted	18,068	3,510	21,578
<b>Total net position</b>	<b>18,068</b>	<b>16,950</b>	<b>35,018</b>
<b>Total liabilities and net position</b>	<b>19,750</b>	<b>17,067</b>	<b>36,817</b>
<b>Statement of Net Cost for the Period Ended September 30, 2009</b>			
Gross Program Costs	16,775	769	17,544
Less Earned Revenues	17,798	-	17,798
<b>Net Costs of Operations</b>	<b>\$ (1,023)</b>	<b>\$ 769</b>	<b>\$ (254)</b>
<b>Statement of Changes in Net Position For the Period Ended September 30, 2009</b>			
Net position, Beginning of fiscal year	16,580	14,539	31,119
Non-exchange revenue	-	691	691
Donations	-	1,984	1,984
Transfers-in/out without reimbursements	(1)	(615)	(616)
Other Budgetary Financing Sources	-	31	31
Imputed financing from costs absorbed by others	466	-	466
Other Financing Sources	-	1,089	1,089
Total financing sources	465	3,180	3,645
Net cost of operations	(1,023)	769	(254)
Change in Net Position	1,488	2,411	3,899
<b>Net Position, End of fiscal year</b>	<b>\$ 18,068</b>	<b>\$ 16,950</b>	<b>\$ 35,018</b>

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

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*Note 14 – Intragovernmental Costs and Exchange Revenues by Program*

(in thousands)

	<u>2010</u>	<u>2009</u>
<b>Records and Archives Related Services</b>		
Intragovernmental gross costs	\$ 63,763	\$ 59,511
Public costs	322,765	297,910
Total Records and Archives-Related Service Costs	<u>386,529</u>	<u>357,421</u>
Intragovernmental earned revenue	361	975
Public earned revenue	-	2
Total Records and Archives-Related Service Earned Revenue	<u>361</u>	<u>977</u>
<b>Trust and Gift Funds</b>		
Intragovernmental gross costs	2,466	2,075
Public costs	12,872	12,357
Total Trust and Gift Funds Costs	<u>15,338</u>	<u>14,432</u>
Intragovernmental earned revenue	689	541
Public earned revenue	16,541	17,371
Total Trust and Gift Funds Earned Revenue	<u>17,230</u>	<u>17,912</u>
<b>Electronic Records Archives</b>		
Intragovernmental gross costs	7,554	6,698
Public costs	9,573	10,841
Total Electronics Records Archives Costs	<u>17,127</u>	<u>17,539</u>
<b>National Historical Publications and Records Commission Grants</b>		
Intragovernmental gross costs	-	-
Public costs	8,773	6,434
Total National Historical Publications and Records Commission Grants Costs	<u>8,773</u>	<u>6,434</u>
<b>Archives Facilities and Presidential Libraries Repairs and Restoration</b>		
Intragovernmental gross costs	-	124
Public costs	(287)	1,823
Heritage asset renovation costs (Note 15)	29,855	21,940
Total Archives Facilities and Presidential Libraries Repairs and Restoration Costs	<u>29,568</u>	<u>23,887</u>
<b>Revolving Fund Records Center Storage and Services</b>		
Intragovernmental gross costs	75,099	71,727
Public costs	97,556	91,923
Total Revolving Fund Records Center Storage and Service Costs	<u>172,655</u>	<u>163,650</u>
Intragovernmental earned revenue	161,197	150,031
Public earned revenue	1,086	1,541
Total Revolving Fund Records Center Storage and Services Earned Revenue	<u>\$ 162,283</u>	<u>\$ 151,572</u>

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.

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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, 2010 and 2009 (in thousands):

<i>Asset</i>	<u>2010</u>	<u>2009</u>
National Archives Building	\$ 2,288	\$ 1,672
<u>Libraries:</u>		
Roosevelt	3,672	1,421
Hoover	28	33
Truman	737	627
Eisenhower	2,224	694
Kennedy	9,574	3,019
Johnson	4,102	4,442
Nixon	3,231	4,723
Ford	85	224
Carter	485	4,572
Reagan	3,317	358
Bush	112	6
Clinton	-	149
Total	<u>\$ 29,855</u>	<u>\$ 21,940</u>

For additional information about NARA’s Stewardship Assets see Note 7 and Required Supplementary Information.

*Note 16 – Stewardship PP&E Acquired Through Transfer, Donation or Devise*

Other than permanent records accessioned from other Federal Agencies, NARA may gain ownership of heritage assets received through gifts of money, security or other property. The National Archives Gift fund receives and accepts, holds and administers in accordance with the terms of the donor, gifts or bequests for the benefit of the National Archives Gift Fund activities or Presidential Libraries. Additional information about heritage assets is presented in Note 7, and detailed by the type and quantity of heritage assets collections.

*Note 17 - Apportionment Categories of Obligations Incurred*

OMB typically uses one of two categories to distribute budgetary resources subject to apportionment in a fund. Apportionments that are distributed by fiscal quarters are classified as category A. Category B apportionments usually distribute budgetary resources by activities, project, objects or a combination of these categories. NARA’s Trust fund remains exempt from apportionment.

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

	Category A		Category B		Exempt		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Direct	\$409,864	\$372,927	\$59,934	\$ 60,905	\$ -	\$ -	\$469,798	\$433,832
Reimbursable	2,172	3,289	177,194	165,155	18,355	16,083	197,721	184,527
<b>Total</b>	<b>\$412,036</b>	<b>\$376,216</b>	<b>\$237,128</b>	<b>\$ 226,060</b>	<b>\$18,355</b>	<b>\$16,083</b>	<b>\$ 667,519</b>	<b>\$618,359</b>

*Note 18 – Explanation of Differences between the Statement of Budgetary Resources and the Budget of the United States Government*

Statement of Federal Financial Accounting Standards No. 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting* calls for explanations of material differences between budgetary resources available, status of those resources and outlays as presented in the Statement of Budgetary Resources (SBR) to the related actual balances published in the *Budget of the United States Government* (President’s Budget). However, the President’s Budget that will include FY 2010 actual budgetary execution information has not yet been published. The *Budget of the United States Government* is scheduled for publication in January 2011. 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)	2009			
	Budgetary Resources	Obligations Incurred	Distributed Offsetting Receipts	Net Outlays
Statement of Budgetary Resources	\$ 716	\$ 618	\$ 1	\$ 401
Difference-Expired appropriations	(12)	(2)	-	-
Difference-Rounding	(3)	-	-	2
<b>Budget of the U.S. Government</b>	<b>\$ 701</b>	<b>\$ 616</b>	<b>\$ 1</b>	<b>\$ 403</b>

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

The amount of budgetary resources obligated for undelivered orders at September 30, 2010 and 2009 is \$141,344 thousand and \$140,993 thousand, respectively.

*Note 20 – Reconciliation of Net Cost of Operations (proprietary) to Budget (formerly the Statement of Financing)*

Reconciling budgetary resources obligated during the period to the Net Cost of Operations explains the relationship between the obligation basis of budgetary accounting and the accrual basis of financial (proprietary) accounting. .

The reconciliation starts with the net obligations incurred during the period. Net obligations incurred are amounts of new orders placed, contracts awarded, services received and other similar transactions that will require payments during the same or a future period. To arrive at the total

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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. FY2009 presentation of the numbers below has been modified to be consistent with FY10 refinement of the process for moving FECA related liabilities to current year, thus \$4,501 has been reclassified from "Financing sources yet to be provided" to "Resources that do not fund net cost of operations" line. 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)	<b>2010</b>	<b>2009</b>
Net obligations incurred	\$ 440,649	\$ 412,218
Nonbudgetary Resources	20,480	16,017
Total resources used to finance activities	461,129	428,235
Resources that do not fund net cost of operations	(67,468)	(65,347)
Cost that do not require resources in the current period	55,500	48,815
Financing sources yet to be provided	955	1,199
Net cost of operations	<u>\$ 450,116</u>	<u>\$ 412,902</u>

## Required Supplementary Information

### Deferred Maintenance

The National Archives owns and manages assets including the National Archives Building, the National Archives at College Park, MD, the Southeast Regional Archives building in Atlanta, GA, and the Presidential Libraries. The rest of NARA facilities are leased from GSA or the public. All of these support NARA's mission to safeguard and preserve our most significant heritage assets, the national record holdings in our custody.

To ensure the preservation of the archival holdings NARA applies a multi-faceted strategy, which includes storage in appropriate environment, implementation of handling and other preservation policies, and preservation actions, such as holdings maintenance, custom housing, reformatting and conservation treatment.

Through NARA-wide risk and condition assessment processes, which are a function of the day to day operations, such as accessioning of records into the NARA's possession, NARA obtains condition information for its collection type heritage assets.

Extensive preservation actions are required on those records identified as "at-risk" to minimize further deterioration and to remediate damage that has occurred due to age or improper handling and storage conditions prior to arrival at NARA. NARA has identified the backlog of records requiring preservation actions as one of its top challenges, and plans actions annually to address it. The progress on this ongoing challenge is tracked and reported as one of our critical performance measures (section 2.7 in the Performance section of this PAR.)

Because the space where the records are preserved is a critical factor to prevent deterioration of the records, NARA has implemented federal records and archival storage standards to reduce damage to holdings prior to their accession by NARA as well as when in the NARA's possession. The costs to address deficiencies related to compliance of NARA owned facilities with these storage standards are reflected in the estimate, below.

NARA uses the condition assessment method to determine the condition of its fixed assets, including stewardship PP&E facilities. The condition assessment surveys (CAS) at NARA are conducted by a professional architectural firm, who prepare Building Condition Reports (BCR), for all NARA owned facilities on a five-year rotating cycle. Facility managers continue to perform condition assessments annually to identify critical needs between BCRs. Maintenance required to bring fixed assets to acceptable condition, which is not scheduled or performed when needed, is included in the deferred maintenance estimate below.

At the end of Fiscal Year 2010, needed maintenance projects for fifteen locations, including twelve Presidential Libraries, have been identified from current BCR reports, and are included in the deferred maintenance estimate.

<i>Category</i>	<i>Method</i>	<i>Acceptable Asset Condition</i>	<i>Estimated Deferred Maintenance</i>
Heritage assets - Buildings	CAS	Good	\$40 to 41 million
Multi-use assets - Buildings	CAS	Good	\$8 to 9 million

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

- o *Good.* Facilities/equipment condition meets established maintenance standards, operating efficiently and has a normal life expectancy. Scheduled maintenance should be sufficient to maintain the current condition. There is no critical deferred maintenance on building and equipment in good condition.

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- *Fair.* Facilities/equipment condition meets minimum standards, but requires additional maintenance or repairs to prevent further deterioration, increase operating efficiency and to achieve normal life expectancy.
- *Poor/Unsatisfactory.* Facilities/equipment does not meet most maintenance standards and requires frequent repairs to prevent accelerated deterioration and provide a minimal level of operating function.

Due to the scope, nature and variety of the assets and the nature of the deferred maintenance, exact estimates are very difficult to determine. Current estimates include correcting deficiencies that relate to the safety or the protection of valuable materials, modifications to provide safety and public accessibility to the facility, and electrical upgrades to prevent loss of critical data. The estimates generally exclude vehicles and other categories of operating equipment.

*Required Supplementary Information*

*Schedule of Budgetary Resources by Major Budget Accounts*

(in thousands)

Fiscal Year 2010	Records and Archives- Related Services	Gift Fund	Trust Fund	Electronic Records Archives	NHPRC Grants	Archives Facilities and Presidential Libraries Repairs and Restorations	Records Center and Storage Services	Total
<b>Budgetary Resources</b>								
Unobligated Balance brought forward, October 1:	\$ 11,332	\$2,837	\$ 7,220	\$ 2,416	\$ 1,870	\$ 54,526	\$ 17,625	\$ 97,826
Recoveries of prior year unpaid obligations	4,724	2	483	2,234	189	784	1,432	9,848
Budgetary appropriations received	343,870	3,150	-	85,500	13,000	27,500	-	473,020
Spending authority from offsetting collections	15,641	-	15,779	-	-	-	182,449	213,869
Nonexpenditure transfers, net, anticipated and actual	-	-	-	-	-	-	-	-
Permanently not available	15,752	-	-	1,081	-	-	-	16,833
<b>Total Budgetary Resources</b>	<b>359,815</b>	<b>5,989</b>	<b>23,482</b>	<b>89,069</b>	<b>15,059</b>	<b>82,810</b>	<b>201,506</b>	<b>777,730</b>
<b>Status of Budgetary Resources</b>								
Obligations Incurred	346,637	3,379	18,353	67,164	9,711	45,081	177,194	667,519
Unobligated Balance-available	1,367	2,610	5,129	20,252	5,348	37,729	24,312	96,747
Unobligated balance not available	11,811	-	-	1,653	-	-	-	13,464
<b>Total Status of Budgetary Resources</b>	<b>359,815</b>	<b>5,989</b>	<b>23,482</b>	<b>89,069</b>	<b>15,059</b>	<b>82,810</b>	<b>201,506</b>	<b>777,730</b>
<b>Change in Obligated Balance</b>								
Obligated balance, net, beginning of period	91,680	547	1,841	36,130	12,296	20,296	8,009	170,799
Obligations incurred net	346,637	3,379	18,353	67,164	9,711	45,081	177,194	667,519
Less: Gross outlays	(341,727)	(3,299)	(17,204)	(61,129)	(7,761)	(30,371)	(171,363)	(632,854)
Less: Recoveries of prior year unpaid obligations, actual	(4,724)	(2)	(483)	(2,234)	(189)	(784)	(1,432)	(9,848)
Change in uncollected customer payments from Federal sources	7	-	(154)	-	-	-	(11,617)	(11,764)
<b>Obligated balance, net, end of period</b>	<b>91,873</b>	<b>625</b>	<b>2,353</b>	<b>39,931</b>	<b>14,057</b>	<b>34,222</b>	<b>791</b>	<b>183,852</b>
<b>Net Outlays</b>								
Gross outlays	341,727	3,299	17,204	61,129	7,761	30,371	171,363	632,854
Less: Offsetting collections	(15,648)	-	(15,626)	-	-	-	(170,832)	(202,106)
Less: Distributed Offsetting receipts	(6)	(3,146)	-	-	-	-	-	(3,152)
<b>Net Outlays</b>	<b>\$326,073</b>	<b>\$ 153</b>	<b>\$ 1,578</b>	<b>\$ 61,129</b>	<b>\$ 7,761</b>	<b>\$ 30,371</b>	<b>\$ 531</b>	<b>\$ 427,596</b>

*Required Supplementary Information*

*Schedule of Budgetary Resources by Major Budget Accounts*

(in thousands)

Fiscal Year 2009	Records and Archives-Related Services	Gift Fund	Trust Fund	Electronic Records Archives	NHPRC Grants	Archives Facilities and Presidential Libraries Repairs &	Records Center and Storage Services	Total
<b>Budgetary Resources</b>								
Unobligated Balance brought forward, October 1:	\$ 11,965	\$1,987	\$ 7,068	\$ 2,993	\$878	\$ 24,299	\$15,795	\$ 64,985
Recoveries of prior year unpaid obligations	4,523	179	483	470	403	598	2,066	8,722
Budgetary appropriations received	330,308	3,476	-	67,008	11,250	50,711	-	462,753
Spending authority from offsetting collections	15,405	-	15,751	-	-	-	164,920	196,076
Nonexpenditure transfers, net, anticipated and actual	2,000	-	-	-	(2,000)	-	-	-
Permanently not available	15,910	-	-	442	-	-	-	16,352
<b>Total Budgetary Resources</b>	<b>348,291</b>	<b>5,642</b>	<b>23,302</b>	<b>70,029</b>	<b>10,531</b>	<b>75,608</b>	<b>182,781</b>	<b>716,184</b>
<b>Status of Budgetary Resources</b>								
Obligations Incurred	337,219	2,805	16,082	67,354	8,661	21,082	165,156	618,359
Unobligated Balance-available	1,139	2,837	7,220	345	1,870	54,526	17,625	85,562
Unobligated balance not available	9,933	-	-	2,330	-	-	-	12,263
<b>Total Status of Budgetary Resources</b>	<b>348,291</b>	<b>5,642</b>	<b>23,302</b>	<b>70,029</b>	<b>10,531</b>	<b>75,608</b>	<b>182,781</b>	<b>716,184</b>
<b>Change in Obligated Balance</b>								
Obligated balance, net, beginning of period	87,358	98	2,541	20,932	10,555	20,531	17,086	159,101
Obligations incurred net	337,220	2,805	16,082	67,354	8,661	21,082	165,155	618,359
Less: Gross outlays	(328,382)	(2,177)	(16,379)	(51,686)	(6,517)	(20,719)	(162,957)	(588,817)
Less: Recoveries of prior year unpaid obligations, actual	(4,523)	(179)	(483)	(470)	(403)	(598)	(2,066)	(8,722)
Change in uncollected customer payments from Federal sources	7	-	80	-	-	-	(9,209)	(9,122)
Obligated balance, net, end of period	91,680	547	1,841	36,130	12,296	20,296	8,009	170,799
<b>Net Outlays</b>								
Gross outlays	328,382	2,177	16,379	51,686	6,517	20,719	162,957	588,817
Less: Offsetting collections	(15,412)	-	(15,831)	-	-	-	(155,711)	(186,954)
Less: Distributed Offsetting receipts	(9)	(1,334)	-	-	-	-	-	(1,343)
<b>Net Outlays</b>	<b>\$ 312,961</b>	<b>\$ 843</b>	<b>\$ 548</b>	<b>\$ 51,686</b>	<b>\$ 6,517</b>	<b>\$ 20,719</b>	<b>\$ 7,246</b>	<b>\$ 400,520</b>

## SECTION 4 OTHER ACCOMPANYING INFORMATION

### ***INSPECTOR GENERAL'S ASSESSMENT OF MANAGEMENT CHALLENGES FACING NARA***

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

Based on congressional interest, GAO conducted an evaluation of NARA's Information Security Program and NARA's ability to effectively carry out its mission of overseeing the management of federal records while preserving those of historic and intrinsic value. Final audit reports from these audits have not been issued and the results may impact management challenges.

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

NARA's mission with the Electronic Records Archives (ERA) is to build a system accommodating the government's vast amounts of electronic records stored in past, present, and future formats. The challenge is to deliver and maintain a functional system for preserving and providing access to our nation's electronic records for as long as needed. Electronic records are vital to how our government works, and their preservation through the ERA will define what information future generations will be able to access and use. However, the ERA Program has experienced delivery delays, budgeting problems, and contractor staffing problems. Initial Operating Capacity (IOC) for the ERA Program was delayed from September 2007 until June 2008, and even then, program functions available at IOC were less than the original requirements. Also, the component to handle all White House records, the Executive Office of the President (EOP) System, was separated out due to delays and pursued down a separate line of development.

The success of this mission-critical program is uncertain. As a result of unknown funding levels and the decision by OMB to end ERA development at the end of FY 2011, NARA is planning on deferring implementation of 20 percent of the original system requirements. Agency officials reported that, as of the beginning of August 2010, 41 percent of the requirements have been implemented, and the plan is to have 80 percent implemented by the end of FY 2011.

In August 2010, OMB placed the ERA Program on its high-priority list which is comprised of 26 high-risk IT projects selected from across the federal government. The major problems that NARA must remedy are the: (1) lack of detailed plans for the final two increments, (2) low usage of the system, and (3) need for improved strategic planning. NARA's actions planned to correct these problems include preparing a detailed plan that focuses on accelerated user adoption of the ERA System, and updating ERA implementation plans to reflect an end to system development on September 30, 2011. System development had been planned to extend through March 2012.

*Audits, investigations, and reviews performed in FY 2010:*

- Search Engine Analysis for Online Public Access to the ERA
- Award Fee Program for the ERA Development Contract
- Concerns with the ERA System's Ability to Conduct Full-Text Searches
- Inadequate Contingency Planning for the ERA System
- Similar Developmental Issues Exist for both NARA's ERA Program and the FBI's Sentinel Project
- No Alternative Back-up Site for the ERA System

## **2. Improving Records Management**

Part of NARA's mission is safeguarding and preserving the records of our government, thereby ensuring people can discover, use, and learn from this documentary heritage. NARA provides continuing access to the essential documentation of the rights of American citizens and the actions of their government. The effective management of these records is key to accomplishing this mission. NARA must work with Federal agencies to ensure the effective and efficient appraisal, scheduling, and transfer of permanent records, in both traditional and electronic formats. The major challenge is how best to accomplish this component of our overall mission while reacting and adapting to a rapidly changing technological environment in which electronic records, particularly e-mail, proliferate. In short, while the ERA system is intended to work with electronic records received by NARA, we need to ensure the proper electronic and traditional records are in fact preserved and sent to NARA in the first place.

NARA also directs the Electronic Records Management (ERM) initiative, one of 24 Government-wide initiatives under the E-Government Act of 2002. The ERM initiative will provide guidance to agencies in managing and transferring their permanent electronic records to NARA, in an increasing variety of data types and formats. In June 2008, GAO recommended NARA develop and implement an approach to provide oversight of agency electronic records management programs to provide adequate assurance that NARA guidance is effective and the agencies are following electronic records guidance. NARA, its Government partners, and Federal agencies are challenged with determining how best to manage electronic records and how to make ERM and e-Government work more effectively.

*Audits, investigations, and reviews performed in FY 2010:*

- Audit NARA's Oversight of Electronic Records Management in the Federal Government
- Audit of the Process for Providing and Accounting for Information Provided to Researchers

## **3. Information Technology Security**

The Archivist identified IT Security as a material weakness under the Federal Managers Financial Integrity Act reporting process beginning in FY 2007. NARA's Office of Information Services (NH) conducted an independent assessment of the IT security program using the Program Review for Information Security Management Assistance (PRISMA) methodology developed by the National Institute for Standards and Technology (NIST) in FY 2007. The assessment stated NARA's policy and supporting procedures for IT security were weak, incomplete, and too dispersed to be effective. The majority of the weaknesses identified during the assessment remain open.

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. The confidentiality, integrity, and availability of our electronic records and information technology systems are only as good as our IT security infrastructure. A GAO review conducted in 2010 identified significant weaknesses in access controls and other information security controls that impair NARA's ability to ensure the confidentiality, integrity, and availability of its information systems. 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 2010:*

- Review of NARA's Contract for Information Technology and Telecommunication Support Services
- Audit of NARA's Network Infrastructure
- Backup Computer Tape Disposal
- Investigation of improper disposal of computer hard drives
- Investigations of unauthorized network intrusion and access

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

Another challenge for NARA, given society's growing expectation for easy and near-immediate access to information on-line, will be to provide such access to records created digitally (i.e., "born digital") and to identify those textual records most in demand so they can be digitized and made available electronically. 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 2010:*

- Audit of the Process for Providing and Accounting for Information Provided to Researchers
- Audit of the National Historical Publications and Records Commission Grant No. 2004-026 Supreme Court Historical Society
- Audit of the National Historical Publications and Records Commission Grant Historical Society of Washington, D.C.
- Investigation of alleged fraudulent access to veterans records

#### **5. Meeting Storage Needs of Growing Quantities of Records**

NARA-promulgated regulation 36 CFR Part 1228, "Disposition of Federal Records," Subpart K, "Facility Standards for Records Storage Facilities," requires all facilities housing Federal records to meet defined physical and environmental requirements by FY 2009. NARA's challenge is to ensure its own facilities, as well as those used by other Federal agencies, are in compliance with these regulations; and effectively mitigate risks to records which are stored in facilities not meeting these new standards.

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

As in the case of our national infrastructure (bridges, sewer systems, etc.), NARA holdings grow older daily and face degradation associated with time. This affects both traditional paper records, and the physical media that electronic records and audio/visual records are stored on. The Archivist previously identified preservation as a material weakness under the Federal Managers' Financial Integrity Act reporting process. However, in FY 2006, preservation was downgraded to a reportable condition, and it is currently being monitored as a significant deficiency. The OIG strongly disagrees with this. Preserving and providing access to records is a fundamental element of NARA's duties to the country, and NARA cannot provide access to records unless it can preserve them for as long as needed. The backlog of records needing preservation action continues to grow. NARA is challenged to address this backlog and future preservation needs, including the data integrity of electronic records. The challenge of ensuring NARA facilities meet environmental standards for preserving records (see OIG Challenge #5) also plays a critical role in the preservation of Federal records.

## **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.

GAO reported that NARA had been inconsistent in its use of earned value management (EVM), a project management approach that can provide objective reports of project status and early warning signs of cost and schedule overruns. As a result, NARA did not fully implement practices necessary to make effective use of EVM, limiting the reliability of its progress reports.

GAO also reported NARA does not document the results of briefings to its senior management oversight group and thus there is little evidence that this body has reviewed and approved the progress of the ERA system. There is also little evidence that the group identified or took appropriate corrective actions or ensured that the actions were taken and tracked to closure. Without adequate oversight that evaluates project progress, including documenting feedback and action items from senior management, NARA will not be able to ensure that the system is being implemented at acceptable cost and within reasonable and expected time frames.

Inconsistent use of key project management disciplines like earned value management would limit NARA's ability to effectively manage projects and accurately report on its progress.

*Audits, investigations, and reviews performed in FY 2010:*

- Inadequate Contingency Planning for the ERA System
- Similar Developmental Issues Exist for both NARA's ERA Program and the FBI's Sentinel Project

## 8. Physical and Holdings Security

The Archivist has identified security of collections as a material weakness under the FMFIA reporting process. Document and artifact theft is not a theoretical threat; it is a reality NARA has been subjected to time and time again. NARA must maintain adequate levels of security to ensure the safety and integrity of persons and holdings within our facilities. This is especially critical in light of the security realities facing this nation and the risk our holdings may be pilfered, defaced, or destroyed by fire or other man-made and natural disasters.

*Audits, investigations, and reviews performed in FY 2010:*

- Security Conditions in the Research Room at the National Archives in College Park, MD
- Security at Archives I and II
- Proactive holdings Security Assessments
- Three NARA holdings recovered by OIG Office of Investigations
- Investigations of missing, stolen, and/or damaged records

## 9. Contract Management and Administration

The GAO has identified Commercial Services Management (CMS) as a Government-wide initiative. The CMS initiative includes enhancing the acquisition workforce, increasing competition, improving contract administration skills, improving the quality of acquisition management reviews, and strengthening contractor ethics requirements. Effective contract management is essential to obtaining the right goods and services at a competitive price to accomplish NARA's mission. NARA is challenged to continue strengthening the acquisition workforce and improve the management and oversight of Federal contractors. NARA is also challenged with reviewing contract methods to ensure a variety of procurement techniques are properly used in accordance with Federal laws and regulations.

*Audits, investigations, and reviews performed in FY 2010:*

- Review of NARA's Contract for Information Technology and Telecommunication Support Services
- Award Fee Program for the ERA Development Contract
- 1930 census Website Contracting Issues
- False Bidding investigation
- Investigation into alleged double billing by contractor
- Investigation of alleged contract fraud
- Investigation of alleged Procurement Integrity Act violations

## 10. Strengthening Human Capital

The GAO has identified human capital as a Government-wide high risk. GAO explains that it is critical to ensuring that agencies have the talent and skill mix they need to address their current and emerging human capital challenges. In August 2009, NARA published its first Strategic Human Capital Plan, covering fiscal years 2009 through 2014. The SHCP discusses strategies for achieving each of its five human capital goals. However, NARA has yet to develop an agency wide workforce plan. Based on NARA's SHCP, NARA will develop and deploy an integrated workforce plan which will enable to hire and retain the right talent, at the right time, in the right place by December 31, 2014. In July 2010, NARA's 2010 Hiring Reform Action Plan was in place.

Earlier this year the Partnership for Public Service ranked NARA the lowest out of 31 large Federal agencies in its "Best Places to Work in the Federal Government" rankings. The rankings are based on employee responses to the Federal Human Capital Survey (FHCS) administered biannually by the U.S. Office of Personnel Management (OPM). In response to the 2010, FHCS, NARA's Employee Viewpoint Survey Task Force is now conducting a follow-up to the OPM survey to gather feedback and ideas to help make NARA one of the best places to work in the Federal Government. Responses to the survey will be used by the task force to develop an agency-wide action plan to address issues in the areas of Leadership, Communication, Diversity, and Training and Development.

NARA's challenge is to adequately address its workforce's concerns and assess its human capital needs in order to effectively recruit, retain, and train people needed to achieve its mission, both now and in the future.

## FEDERAL MANAGERS' FINANCIAL INTEGRITY ACT REPORT



### FY 2010 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 five material weaknesses, NARA's internal controls are achieving their intended objectives:

- (1) Programs achieve their intended results;
- (2) Resources are used consistent with NARA's mission;
- (3) Programs and resources are protected from waste, fraud, and mismanagement;
- (4) Laws and regulations are followed; and
- (5) Reliable and timely information is obtained, maintained, reported, and used for decision making.

This assessment is based on results of audits and evaluations conducted by the Government Accountability Office (GAO), NARA's Office of Inspector General (OIG), management control evaluations, and other written evaluations conducted in the 13 NARA offices and staff organizations. It is also based on senior management's knowledge gained from the daily operations of NARA programs and systems. I have also considered the advice of the Inspector General concerning this statement of assurance.

The qualification noted above includes material weaknesses in holdings protection, artifact inventory controls in Presidential Libraries, information security, preservation of archival records, and processing of traditional records as discussed in our following report. Efforts to fully resolve these material weaknesses are monitored by NARA's senior staff and results are reported directly to me.

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**FY 2010 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.

The following tables reflect the number of material weaknesses reported by NARA under Section 2 of FMFIA in recent years. NARA has no material weaknesses in the Financial Statement audit and no material weaknesses related to the Effectiveness of Internal Controls over Financial Reporting.

**NUMBER OF MATERIAL WEAKNESSES**

	Number at Beginning of Fiscal Year	Number Corrected	Number Added	Number Remaining at End of Fiscal Year
FY 2007	1	0	1	2
FY 2008	2	0	1	3
FY 2009	3	1	1	3
FY 2010	3	0	2	5

**EFFECTIVENESS OF INTERNAL CONTROL OVER OPERATIONS**  
 Statement of Assurance: **Qualified**

Material Weakness	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Holdings Protection	1					1
Information Security Program	1				1	1
Artifact Inventory Controls in Presidential Libraries	1					1
Preservation of Archival Records		1				1
Traditional Records Processing		1				1
<b>Total Material Weaknesses</b>	<b>3</b>	<b>2</b>			<b>1</b>	<b>5</b>

#### Continuing Improvements in NARA Holdings Protection

NARA reported a material weakness in holdings security in FY 2001 based on investigative findings from our Office of Inspector General (OIG). As reported in prior years, corrective steps have been taken, and many actions have been completed. With our new initiative of a Holdings Protection Program, we continue to build a proactive structure to replace our previous reactive posture. A Holdings Protection Team comprising archival, loss prevention, and training specialists was established in FY 2010. In collaboration with NARA offices, team members provided risk assessment assistance and advice, training, policy and procedure development, and conducted compliance inspections. Working with existing training materials, we improved content and developed different levels of training based on staff needs. Following a pilot training program, we further improved training content and held the second annual holdings protection training sessions for all staff and contractors who work with archival records.

In FY 2010, we achieved short term goals in five main areas:

- **Policy and Procedures**
  - Produced customized researcher orientation slides for 40 NARA locations where research is conducted. These slides have been effective in training new and renewing researchers on proper procedures, rules, regulations, and security practices while in our research rooms.
  - Developed a new standardized incident reporting form to help track researcher policy infractions agency wide, and planned future incorporation into a proposed enterprise researcher ID registration system.
- **Training**
  - Developed and piloted interactive and comprehensive training for all NARA staff that come in contact with archival records. This training uses a combination of e-learning and instructor-led sessions, and a webinar format for remote sites to limit travel costs. We developed detailed training for research room staff on the proper procedures for detecting and confronting a researcher suspected of damaging or stealing NARA holdings.
  - Trained more than 2,400 staff members with the new curriculum.
- **Security for records storage areas**
  - Conducted 16 site visits and made recommendations in regard to access to holdings storage areas and placement of Closed Circuit Television (CCTV) systems at each facility to improve security of holdings.
  - Working with research staff at our two largest research rooms in the Washington D.C., area we assessed the CCTV systems, made changes to camera positions, and installed public view monitors and additional security cameras to act as a deterrent to theft and other misconduct by researchers.
  - We began a project to add electronic access control to holdings storage areas at The National Archives Building, Washington, D.C.

- **Internal controls**
  - Led a comprehensive research project and had three vendors demonstrate the potential of Radio Frequency Identification (RFID) technology to protect external hard drives and other mobile media storage devices. Research centered on applications designed to closely track special or highly vulnerable holdings.
  - Completed a CCTV and RFID scope of work for the Electronic and Special Media Services Division of the Office of Records Services, Washington, D.C.
- **Loss preventions and response**
  - Efforts in this area centered on research room procedures and passive security hardware.

In FY 2011, we will continue work in these same five areas. Some specific plans are:

- **Policy and Procedures**
  - Develop a Random Exit Screening Policy to protect holdings.
  - Continue work on a proposal for an enterprise researcher ID system. When completed, this system will allow staff to maintain real time information on suspended researchers, incident reports, researcher history and records pulled from the stacks. It will improve communications and holdings protection as well as efficiencies within and among research rooms.
  - Develop an enterprise list of patrons that are barred from using NARA research rooms and incorporate this information with the researcher ID system.
  - Finalize and issue all Holdings Protection policy.
- **Training**
  - We expect to complete and roll out training on:
    - Internal Awareness
    - Library and Museum Artifact Holdings Protection
    - Holdings Protection for Supervisors and Managers
    - Train the Trainer Program on all curricula
- **Internal controls**
  - Implement random exit inspections for holdings
- **Security for records storage areas**
  - Continue to access record storage areas to reduce the number of staff with access
- **Loss prevention and response**
  - Develop a compliance program to conduct oversight of Holdings Protection efforts agency wide

#### **Improvement Needed in Presidential Library Artifact Inventory Controls**

In October 2007, NARA's Inspector General issued an audit report regarding inventory controls over artifacts in the Presidential Libraries. In that report, the OIG likened weaknesses found in these controls with those cited in the Holdings Security material weakness. We believe that the control families for these two weaknesses are very different and we will continue to address them separately. In response to the audit, we worked to focus attention and expertise on museum collections; strengthen documentation; identify inventory issues and create appropriate mitigation strategies; and foster better communication among the collections staffs at the 12 library sites, the Presidential Materials Staff, and the Office of Presidential Libraries. In FY 2009, we completed and implemented inventory and re-inventory plans customized to individual libraries, established uniform inventory reporting requirements, and continued to gather and archive inventories in a centralized collections master file. We also completed the physical inventory of the Reagan museum collection, pursued the resolution of issues identified during the inventory, and completed alterations to the Reagan Library collections storage area to mitigate potential earthquake damage.

In FY 2010, NARA made significant strides. We:

- Drafted comprehensive artifact de-accession guidance
- Formalized a collections management platform replacement as an approved NARA IT capital investment project
- Finalized comprehensive inventory policy and procedures
- Pursued customized Library inventory projects and surpassed inventory benchmarks at eight of twelve sites
- Completed a final report on the Reagan Library's 100 percent inventory and drafted a Master Storage Plan for high-density shelving at the Reagan Library

In FY 2011, NARA will focus efforts on the following:

- Finalize comprehensive de-accession guidance
- Complete the procurement requirements to purchase a replacement collections management platform, with purchase dependent upon mid-year funding
- Pursue, support, and monitor individual library inventory and re-inventory projects according to customized inventory plans
- Continue to seek funds for staffing to support core mission inventory and re-inventory work
- Finalize Reagan Library's Master Storage Plan and identify FY 2013 funding needs to implement high-density storage and other recommendations

#### **Improvement Needed in the NARA Information Security Program**

Since FY 2002, we have reported and resolved several weaknesses in NARA's information security. As noted in the chart on page 2, this year we have reassessed weaknesses in our information security program. Using audit recommendations from the Government Accountability Office (GAO) and NARA's OIG, we identified findings and recommendations within the framework of the National Institute of Standards (NIST) control families defined in *Special Publication 800-53 Revision 3* that best identify where we will focus near term priorities.

At this time, we recognize a material weakness in our Information Security Program with the pressing need to address weaknesses in the following control families:

- Access Control
- Audit and Monitoring
- Configuration Management
- Identification and Authentication
- Physical and Environmental

Over the next several weeks, we will create a detailed plan of action that includes resolution of open findings and recommendations as well as an analysis of recommendations made by various contractor studies since FY 2007. As appropriate, we will be guided by best practices noted in the various reports.

#### **Improvement Needed 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. It is critically important to note that we have processes in place for tracking our preservation backlogs and the types of actions needed. Because this information has been refined over the past several years, we know that the percentage of our holdings in this queue has not significantly changed.

At this time, we recognize a material weakness in preservation of NARA's records, with pressing needs in the following areas:

- Special Media Records
- Electronic Records
- Physical and environmental controls to prevent damage to records
- Maximize resources to reduce the at risk backlog

We will continue to maximize existing specialized resources, with priority focus on special media preservation. Special media records are among the highest risk due to media instability and media obsolescence. We will also develop the management controls for managing risk in the preservation of electronic records. NARA recognizes that efficiencies exist in risk management such that damage to records is prevented.

In addition, NARA's Office of Inspector General (OIG) intends to conduct an audit of the Preservation Program in FY 2011. While we continue to work on preservation issues, the results of the upcoming OIG audit and our own analysis will determine how we move forward.

**Further Improvement Needed in Traditional Records Processing**

In FY 2007, NARA's OIG conducted an audit of records processing agency-wide. Since that time, we have treated traditional records processing as a significant deficiency. We now have guidance and procedures in place as well as measures for each of our major program areas. Further, our processed holdings have increased by 58 percent in three years.

Recent events have caused us to take another look and we recognize a material weakness in processing of NARA's traditional records, with pressing needs in the following areas:

- Improve physical control over textual records through hands-on box location verification
- Improve physical control over special media through several inventory projects
- Maximize resources to reduce processing backlog

In addition, NARA's Office of Inspector General (OIG) intends to conduct an audit of the Processing Program in FY 2011. While we continue to work on processing issues, the results of the upcoming OIG audit and our own analysis will determine how we move forward.

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