



U.S. ELECTION ASSISTANCE COMMISSION



AGENCY FINANCIAL REPORT

December 23, 2020

ABOUT THIS REPORT

The Reports Consolidation Act of 2000 authorizes federal agencies, with the Office of Management and Budget's (OMB) concurrence, to consolidate various reports to provide performance, financial, and related information in a more meaningful and useful format. As done in previous years, the EAC has chosen an alternative reporting to the consolidated Performance and Accountability Report. Instead, it produces an Agency Financial Report and a Congressional Budget Justification, under OMB Circular A-11.

This Fiscal Year (FY) 2020 Agency Financial Report describes the commission's accomplishments, financial activity, and ongoing efforts to strengthen internal controls and financial management.



U.S. ELECTION ASSISTANCE COMMISSION
633 3rd St. NW, Suite 200
Washington, DC 20001

December 23, 2020

1. MESSAGE FROM THE CHAIRMAN

The United States Election Assistance Commission (EAC) is an independent, bipartisan agency established by Congress in 2002, “to assist in the effective administration of Federal elections.”

The Help America Vote Act (HAVA), which was signed into law on October 29, 2002, established major election reforms to the nation’s voting process. The EAC was charged with: the development of policies and guidelines in aiding state election agencies to meet expectations standardized in HAVA, the creation of the Voluntary Voting System Guidelines (VVSG), establishment of a national voting system certification program, administration of HAVA grants, and administration of the National Voter Registration form. The unique mission of the EAC makes it the nation’s only federal agency solely focused on election administration.

The EAC presents summarized performance data in this report and will provide more detailed data in conjunction with the FY2022 Congressional Budget Justification.

The EAC’s FY2020 activities largely focused on its response to the unprecedented challenges of the COVID-19 pandemic during the primary and general election seasons. EAC related activities included:

- a) disbursing and administering \$400 million in emergency funding to the states to prevent, prepare for, and respond to the coronavirus for the 2020 federal election cycle;
- b) disbursing and administering \$425 million in new HAVA security grants funding to the states for election administration enhancements;
- c) producing and publishing EAC resources as well as guidance alongside our federal partners, including a wide range of [COVID-19 resources](#) to assist states amidst the pandemic to administer safe, secure, accessible, and accurate elections, with guidance related to mail/absentee voting, in-person voting, and other safety, accessibility, and security topics related to responding to the pandemic;
- d) assembling a new program team, the Cyber Access and Security program (CAS) assisting the states with cyber resources;
- e) conducting public hearings and placing the VVSG 2.0 for public comment, as well as numerous other critical steps toward the adoption of the VVSG 2.0;
- f) replacing key personnel and increasing staff to enhance the EAC mission;
- g) holding two major, in-person events and hosting a wide range of virtual hearings, roundtable discussions, meetings of the EAC boards, and other events involving state and local election officials, federal partners, subject matter experts, and advocates;

- h) launching a national poll worker recruitment effort via www.helpamericavote.gov;
- i) responding to media inquiries regularly to dispel misinformation and serve as a trusted source to better educate voters;
- j) implementing infrastructure security safeguards to enhance, modernize, and implement a cost-effective technology infrastructure and systems adhering to Federal Information Security Modernization Act (FISMA) and other modernization of federal government efforts such as Cloud First; and
- k) facilitating all coordination required to relocate the EAC office space.

Below is a summary of the agency's key activities and accomplishments during FY2020. Additionally, please note that the EAC has elected to submit its FY2020 Agency Financial Report within the extended submission deadline rather than the initial deadline of November 16th. This is largely due to the increased workload of the EAC during the 2020 election season, as well as the agency's response to the COVID-19 pandemic and its impact on the voting process.

2. DISTRIBUTING HAVA GRANTS

Members of Congress provided critical financial support to the states and territories through the EAC under the Consolidated Appropriations Act of 2020. Election Security funds were authorized under Title I Section 101 of HAVA. Grants are made available to states to improve the administration of federal elections, including to enhance technology and make election security improvements. In FY2020, as required by law, the Grants Division awarded the additional 2020 funding within 45 days of the signing of the Appropriations Act. The open and active grants to 55 states and territories, and the District of Columbia total \$804,978,602.

3. DISTRIBUTING CARES ACT FUNDING

In March, shortly after Super Tuesday, the escalation of COVID-19 forced dozens of states to quickly reconsider their election operations amid the uncertainty about the spread of the virus, and plan for how to keep voters and election workers safe from infection. In response, Congress passed, and the President signed, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), which provided an additional \$400 million in new HAVA emergency funds. This supplemental appropriation funding provided 50 states, the District of Columbia, and five U.S. territories with additional resources to acquire personal protective equipment for election workers, scale absentee or mail ballot operations, and ensure sanitary poll sites. The agency's Grants Division awarded \$397,205,287 in emergency funding in 30 days.

During FY2020, the EAC provided remote technical assistance that included frequently asked questions (FAQs), written guidance, and webinars about the CARES funding and use of other HAVA funds to respond to the pandemic. Specifically, the states sought information about allowable, allocable, reasonable and necessary expenditures, and activities for the funding. The EAC also developed specific guidance and training regarding changes in reporting requirements.

4. STRENGTHENING ELECTION SECURITY AND VOTER CONFIDENCE

While election security has always been a priority, the threat of foreign adversaries has resulted in an unprecedented commitment to improving information sharing and securing our election system. Alongside its federal partners, the EAC has played an integral role in preparing state and local election authorities for potential interference from domestic and foreign threats alike through election misinformation and disinformation campaigns, persistent attempts to breach election systems and voter registration databases, and other emerging threats.

The EAC is continually looking for additional ways to support cybersecurity efforts at the state and local level. As part of that effort, the EAC launched the Cyber Access and Security program (CAS) in April to provide access to security training, best practices, expertise, and other assistance for election officials tasked with protecting critical election infrastructure. The program partners with public and private security experts to ensure that election officials have the most up-to-date and best in class information available through the EAC's Clearinghouse.

Key program initiatives included the following:

- a) An important part of this program has been the addition of staff who have a range of experience in the cybersecurity and elections fields. They are among the 20 mission-critical positions that the agency has hired since the start of the fiscal year.
- b) Beginning in June, the EAC announced online cybersecurity training offered at no cost and developed specifically for election officials through a partnership with the Center for Tech and Civic Life (CTCL). The online training consists of both video and written materials separated into three modules. It provides foundational knowledge on cybersecurity terminology, best practices in election offices, practical application, and communication.
- c) In August, the program launched Risk Management and Crisis Management online workshops for state and territorial election officials.
- d) In late summer, the EAC hosted a joint CISA online risk management tool on its website allowing election officials at the local level to easily measure and mitigate risks to their specific environments.
- e) CAS continues to update materials currently posted to the EAC website and works to develop new material related to vulnerability disclosure programs, social engineering mitigation, and case studies.
- f) The program's Election Security Preparedness page is a one-stop shop for election cybersecurity guidance. It includes resources from federal agencies, nonprofits, academia, and local election officials. The page was updated with new guidance on security topics since the 2016 election and reorganized to make the information easier to find and use.
- g) In June, the EAC also announced its partnership with the Center for Internet Security, Inc. (CIS®) to pilot a technology verification program focused on non-voting election technology including electronic poll books, election night reporting websites, and electronic ballot delivery systems. Known as "Rapid Architecture-Based Election Technology Verification," or RABET-V, it relies on a risk-based approach that allows

rapid verification of manufacturers' security claims. The RABET-V pilot program supports agile software development with a verification process that anticipates and supports rapid product changes. Goals of the pilot program include incentivizing a high-quality, modern design of IT systems updated in smaller, more manageable cycles at reduced cost of verification and re-verification with more reliable and consistent outcomes for purchasers of these systems.

5. TESTING AND CERTIFICATION

As states seek to invest in the purchase of new voting equipment, election leaders are continuing to turn to the EAC's Testing and Certification Program as a key resource in ensuring the nation's voting systems are tested to confirm the secure and accurate tabulation of ballots. This includes seeking information about how best to develop Requests for Proposals, information on the systems currently certified, and implementation of the next iteration of the Voluntary Voting System Guidelines, known as VVSG 2.0.

Historically, the VVSG consists of Principles, Guidelines and Requirements against which voting systems are tested to determine if the systems meet required standards. The EAC's goal is to bring technological gains in security and other factors to the voters. Some additional factors examined under these tests include functionality, accessibility, accuracy, and auditability. HAVA mandates that the EAC develop and maintain these requirements, as well as test and certify voting systems. These guidelines are voluntary, and states may decide to adopt them entirely or in part.

During the past two years, enormous progress has also been made toward the adoption of VVSG 2.0. This represents a significant milestone in defining standards for the next generation of secure, accessible, and accurate voting systems. In February, the Technical Guidelines Development Committee approved the VVSG 2.0 requirements, which were published in the Federal Register in March for public comment. During the Spring, the EAC conducted a series of VVSG public hearings to receive testimony from election officials, federal partners, and stakeholders. The public comment period closed in June. The EAC, in coordination with our partners at the National Institute of Standards and Technology (NIST), is reviewing comments and working to implement and finalize VVSG 2.0 for final approval.

The EAC's Testing and Certification program also tested and certified ten voting systems during the year and provided risk-limiting audit (RLA) assistance to several states.

6. CHAMPIONING ELECTION ADMINISTRATION RESEARCH & BEST PRACTICES

a) Election Administration Voting Survey

In anticipation of compiling information from the 2020 election and publishing the EAC's Election Administration and Voting Survey (EAVS) next year, the EAC initiated a needs assessment review in FY2020 by interviewing 34 states about their experiences completing the 2018 EAVS and also gathered input from participants about the 2020 EAVS.

Based on the increased use of absentee and mail ballots by voters during the pandemic, the Policy Survey was revised and expanded with new questions on electronic ballot transmission,

mail balloting deadlines, postmark requirements, and election certification dates and was issued to states to complete in August. For the first time since publishing the survey, the EAC initiated usability testing of the survey, and conducted outreach calls with 10 states to improve the agency's technical assistance for completing the survey. The EAC also published an updated *Guide to the Election Administration and Voting Survey* for the first time in 10 years. The upcoming survey allows for data pre-population of the EAVS which opened for states to complete after the November 2020 elections.

b) Voter Registration and Accessibility for Voters with Disabilities

The EAC updated the National Mail Voter Registration form instructions and accompanying language translations in response to requests from three different states as well as beginning the process to update the form based on a fourth state's request.

The EAC offers a Braille translation of the form's content alongside 15 other language translations.

c) Clearinghouse Awards

In January, the EAC announced the winners of the 2019 Clearinghouse Awards for Best Practices in Election Administration. The awards, also known as the Clearies, provide election offices across America an opportunity to share their innovative efforts and election administration successes. The Clearies play an important role in furthering the EAC's responsibilities under HAVA, to serve as a clearinghouse for election administration information.

Now in its fourth year, the award categories celebrate innovation in election administration, improving voting accessibility for voters with disabilities, best practices in recruiting, training and retaining election workers, and new for 2019, creative and original "I Voted" sticker design.

7. NATIONAL POLL WORKER RECRUITMENT DAY

The EAC launched a National Poll Worker Recruitment Day aimed at raising awareness about the benefits and importance of poll working and inspiring more Americans to sign up. Poll workers are vital to the democratic process and recruitment of sufficient staff levels became more vital in 2020 as the pandemic caused an unprecedented shortage and other challenges for election officials.

National Poll Worker Recruitment Day, September 1, 2020, was designated as a day of action, and the promotion leading up to it and beyond assisted efforts to fill gaps in states' and jurisdictions' poll worker numbers. Amid COVID-19, America was facing a critical shortage of poll workers. Even as many states expanded access to vote-by-mail and absentee voting options, millions of Americans – especially voters with disabilities and those who lacked reliable mail service – continued to rely on in-person voting to cast a ballot.

Historically, most poll workers have been over the age of 60, making them especially vulnerable to complications if they contract COVID-19. This resulted in a critical need for poll workers who were willing and able to assist with the administration of in-person voting on Election Day. With the EAC encouraging more people to become poll workers in their

communities, National Poll Worker Recruitment Day was designated to address the critical shortage of poll workers, strengthen our democracy, inspire greater civic engagement and volunteerism, and help ensure free and fair elections in November and beyond. The EAC created a custom web-based tool for voters to look up their jurisdiction and sign up which was hosted on a newly registered domain for ease of marketing (helpamericavote.gov). EAC provided a toolkit to all states and territories and drove several hundreds of thousands of voters to our website. Celebrities, prominent figures, business owners, and others notably marketed and amplified our efforts throughout the campaign.

8. MISINFORMATION AND FACT CHECKING LEADING UP TO THE 2020 ELECTION

The EAC responded to approximately 500 media requests throughout the year. Topics ranged from basic information regarding the voting process for voting by mail, to clarification of reports, allegations of potential fraud in the upcoming election, questions on CARES funding, safety of in-person polling places, and numerous other fact checking-related requests.

9. AGENCY TECHNOLOGY

The EAC continued to implement its multiyear technology upgrade plan to secure and modernize its information technology systems in FY2020. The EAC replaced its legacy WAN network architecture with a modernized SDWAN, or software-defined wide-area network, which provides the EAC with increased visibility into the network and improves the agency's security posture. In accordance with Executive Order 13800 released in 2017, the EAC also implemented Cloud First Technology by migrating file services to a FedRAMP compliant secure Cloud. The agency further implemented numerous real-time threat protection tools with enhanced traffic visibility (hardware and software) to mitigate risk to the EAC network. These efforts have resulted in a more scalable, cost effective, robust, secure, and efficient network for the agency.

10. AGENCY RELOCATION

The EAC was funded by Congress in FY2020 to relocate. The EAC's previous space was inadequate for the number of staff, which forced the agency to assume unnecessary costs to host hearings and other events. The EAC has worked diligently this year, taking numerous critical steps to identify adequate space and to pack and move the agency. The agency relocation will better position it to interact with stakeholders and other federal partners in the space. The agency finalized the move the week of November 20th.

Additionally, please note that the EAC has elected to submit its FY2020 Agency Financial Report within the extended submission deadline rather than the initial deadline of November 16th. This is largely due to the increased workload of the EAC during the 2020 election season, as well as the agency's response to the COVID-19 pandemic and its impact on the voting process in 2020.



US EAC Chairman, Benjamin Hovland

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SECTION I

Management Discussion and Analysis

The Management Discussion and Analysis (MD&A) is presented per the Statement of Federal Financial Accounting Standards (SFFAS) 15. The MD&A intends to provide a clear and concise description of the agency's mission and organizational structure; high-level discussion of key performance goals, results, and measures; analysis of financial statements, systems, controls, and legal compliance; and actions taken or planned to address issues. It provides a balanced analytical assessment, with both positive and negative information, of key program, and financial performance. The MD&A is a vehicle for communicating insights about the agency, its operations, programs, successes, challenges, and future outlook. Contents of this report and the MD&A are in conformance with the Office of Management and Budget (OMB) Circular A-136, *Financial Reporting Requirements*.

IA. BACKGROUND, VISION, MISSION AND ORGANIZATIONAL STRUCTURE

In October 2002, Congress passed the Help America Vote Act (HAVA) of 2002. The law recognized the need for states to invest in their election infrastructure. The Act set out comprehensive programs of funding, voluntary guidance, and research. HAVA established the Election Assistance Commission (EAC) to foster those programs and promote and enhance voting for United States citizens. In passing the EAC's 2018-2022 Strategic Plan, the EAC framed the mission and vision of the agency set out in its chartering legislation with the following:

EAC Mission Statement:

The U.S. Election Assistance Commission helps election officials improve the administration of elections and helps Americans participate in the voting process.

EAC Vision Statement:

A trusted, proactive, and responsive federal agency that helps election officials administer and voters participate in elections.

The EAC is an independent, bipartisan agency. By statute, four full-time Commissioners, appointed by the President and confirmed by the U.S. Senate, and three federal advisory committees: the Standards Board, Board of Advisors, and Technical Guidelines Development Committee guide the EAC. Currently, there are four Commissioners. The EAC's statutory mission consists of:

- a) adopting [voluntary voting system guidelines](#) available for use by the states;
- b) [accrediting voting system testing laboratories and certifying voting systems](#);
- c) developing guidance for state and local election officials to meet HAVA requirements;
- d) serving as a [national clearinghouse](#) of information on election administration, including tools and best practices;
- e) maintaining the [National Mail Voter Registration Form](#), developed per the [National Voter Registration Act \(NVRA\) of 1993](#);
- f) promoting accessibility for voters with disabilities;
- g) providing grantees with technical assistance on use of payments and grant funds, and
- h) [auditing](#) the use of HAVA funds.

The Standards Board and the Board of Advisors provide advice and guidance to the EAC on the Voluntary Voting System Guidelines (VVSG) and other election administration issues. HAVA established the Technical Guidelines Development Committee (TGDC) to help the EAC prepare the VVSG and voting systems test against the established VVSG standards.

The Director of the National Institute of Standards and Technology (NIST) of the U.S. Department of Commerce serves as the Chair of the TGDC and provides technical support to the Committee. Additionally, HAVA specifies that NIST provides recommendations to the EAC regarding voting system test laboratories. Since Fiscal Year (FY) 2004, the EAC's annual appropriations have included a total to date of \$40.9 million for NIST support.

In FY2003 and FY2004, Congress appropriated nearly \$3 billion in federal financial assistance for payments to states under Titles I and II of HAVA. States received the funds to upgrade their voting systems, establish statewide voter registration databases, train election officials, and educate voters. In FY2003, the General Services Administration (GSA) distributed \$649.5 million in HAVA funds to the fifty states, Guam, Puerto Rico, the U.S. Virgin Islands, American Samoa, and the District of Columbia on the EAC's behalf. The funds were distributed for activities to improve the administration of elections (HAVA Section 101) and replace punch cards and lever voting machines (Section 102).

The Senate confirmed four Commissioners in December 2003, and the EAC began operations in January 2004. The agency's FY2004 operating budget was \$1.7 million. At the close of the fiscal year, the EAC had a staff of 18. The EAC's focus in 2004 was to assemble a team, obtain office space, arrange for administrative support from the GSA, establish a website, start election administration clearinghouse operations, and distribute federal financial assistance to the states.

In FY2004, EAC also appointed a statutorily-required General Counsel. During FY2005, EAC appointed its other statutorily-required positions: the Executive Director, and an interim Inspector General. The EAC had several focus areas in subsequent years.

- Upgrading the VVSG;
- Performing research to promote effective federal elections;
- Presenting vital data on election best practices;
- Instituting a testing and certification program;
- Auditing state HAVA funds; and
- Disseminating information on improving elections to its stakeholders.

In FY2007, Congress recognized the expanding agency responsibilities and lifted the full-time equivalent (FTE) staffing ceiling of 24. As of the end of FY2020, the EAC had 36 FTE. Since its inception, the EAC has received \$2,606,150,000 in requirements payments; and \$25,550,000 in discretionary grant funds for poll workers, mock elections, election data collection, voting technology improvement research and equipment, pre-election logic and accuracy testing, and post-election verification. The EAC also tracks and provides technical assistance on the Section 101 funds to improve the administration of federal election, which is reported by the states. The period for using the Section 102 punch card/lever replacement funds expired, and the EAC collected all unused funds by the end of FY2018. In FY2018 and FY2020, Congress appropriated \$380 million and \$425 million

in formula grants to improve federal elections. In FY2020, Congress appropriated an additional \$400 million in grant funds to the EAC through the Coronavirus Aid, Relief, and Economic Security (CARES) Act to help states prevent, prepare for, and respond to the coronavirus for the 2020 federal election cycle.

In FY2015, the Senate confirmed three Commissioners appointed by the President. In FY2018, there were two Commissioner vacancies.

In FY2019, the Senate confirmed two Commissioners appointed by the President. The EAC currently has a full quorum of Commissioners.

COVID-19 Activity

The EAC did not receive supplemental funding for internal operations. On March 12, 2020, the EAC expeditiously moved to conduct all operations and activities remotely in response to the pandemic. While EAC already had a functioning telework system, the shift of daily operations to full remote work led to increased provisions in IT equipment, telecommunication equipment, and software, such as Zoom, to assist a constant level of productivity and activity.

The EAC also adapted how it served election stakeholders and provided resources throughout the pandemic. All divisions worked closely with the Finance Division to coordinate budget and resource adjustments. In adherence to COVID-19 restrictions, the EAC adjusted activities and programs. The agency added resources and events to help support election administration during the pandemic. The EAC Commissioners limited activity to mission-critical travel and instead conducted a series of virtual interviews and roundtables with stakeholders. Also, the EAC hosted virtual annual board meetings.

FUNDING

EAC Appropriation History Fiscal Years 2003 – 2020
(Dollar in Thousands)

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Section 101 and 102	649,500																		649,500
Administrative Expenses	500																		500
Subtotal 101, 102	650,000																		650,000
Election Reform Program Grants																			
Requirement Payments	830,000 ¹	1,491,150				115,000	100,000	70,000											2,606,150
Poll Worker Grants	1,500																		1,500
Foundation	1,500																		1,500
Voting Technology Research							5,000	3,000											8,000
Testing & Verification							1,000	2,000											3,000
Election Security Grants																380,000		425,000	805,000
Subtotal, Election Reform	833,000	1,491,150				115,000	106,000	75,000								380,000		425,000	3,425,150
Election Data Collection Grants																			
Subtotal, Data Collection						10,000													10,000
COVID-19 Response (CARES) Grants																			
Subtotal, COVID-19 Response (CARES)																		400,000	400,000
EAC Salaries & Expenses (S&E)																			
Operations	2,000	1,674 ²	11,110	10,986	11,313	12,330	12,909	13,409	13,024	8,750	8,292	8,100	8,100	8,100	8,200	8,600	7,950	11,271	166,118
Mock Election Grants						200	300	300											800
Poll Worker Grants						750	750	750											2,250
Transfer to NIST			2,778	2,772	4,950	3,250	4,000	3,500	3,243	2,750	2,745	1,900	1,900	1,500	1,400	1,500	1,250	1,500	40,938
Relocation																		2,400	2,400
Subtotal, S&E	2,000	1,674	13,888	13,758	16,263	16,530	17,959	17,959	16,267	11,500	11,037	10,000	10,000	9,600	9,600	10,100	9,200	15,171	212,506
TOTAL	1,485,000	1,492,824	13,888	13,758	16,263	141,530	123,959	92,959	16,267	11,500	11,037	10,000	10,000	9,600	9,600	390,100	9,200	840,171	4,697,656
1/Carried forward to FY2005 2/ Includes \$481,092 transferred from the Federal Election Commission																			

Organization by Program

The EAC has organized its offices around the mandates of HAVA. Below are brief explanations of the divisions responsible for implementing the Strategic Plan programmatic goals. Following the descriptions is EAC's organization chart.

Communications

The Communications Division:

- is responsible for external communications and the tools and platforms used to provide information to election officials and the general public;
- maintains the EAC website;
- collects, develops, and publishes resources (Clearinghouse function);
- operates agency social media;
- responds to and manages media inquiries;
- plans and executes agency events in coordination with agency leadership and state and local election officials
- manages external communications;
- responds to Congressional inquiries; and
- provides editorial support, including press releases, speeches, and Congressional testimony.

EAC.gov is the agency's primary communications tool and contains thousands of documents and information about voting systems and election administration, informational videos, research, data, and program-related content. It also features on-demand webcasts and related information from public meetings, hearings, summits, and roundtables.

Finance (Payments and Grants Management):

The Finance Division:

- is responsible for all areas of budget formulation, execution and funds administration;
- is responsible for coordinating with Treasury and OMB on all financial matters as necessary,
- provides technical assistance to the states on administering federal funds;
- processes and disburses payments to the states and executes all essential grants management responsibilities;
- tracks the submission and reviews the content of financial and performance reports submitted by states;
- analyzes grant audit reports and works with fund recipients on recommendations to resolve audit findings applicable to EAC's programs;
- reviews amended State Plan submissions on the use of Requirements Payments funds so states can comply with HAVA Title III, *Uniform and Nondiscriminatory Election Technology and Administration Requirements*; and
- drafts advisory opinions for commission approval and issuance.

Research

The Research Division:

- administers the biennial Election Administration and Voting Survey (EAVS) to 50 states, the District of Columbia, American Samoa, Guam, Puerto Rico, and the Virgin Islands (the states). The survey produces data and reports mandated by HAVA. Topics include the impact of the National Voter Registration Act of 1993 and the impact of the Uniformed and Overseas Citizens Absentee Voting Act (UOCAVA) on military and overseas voters' participation in federal elections. EAVS is the only comprehensive collection and report of data on elections in the United States;
- researches election administration topics as mandated by Congress and at the discretion of the EAC. Research has included administering elections in urban and rural areas; the feasibility and advisability of establishing free absentee ballot return postage; the feasibility of alternative voting methods; and the voting experiences of first-time voters who register to vote by mail;
- manages the National Mail Voter Registration Form as prescribed by the National Voter Registration Act of 1993 (NVRA), also known as "Motor Voter;"
- administers the Election Management Guidelines Program to assist state and local election officials with conducting secure, efficient, accurate, and accessible elections. The educational materials provide information and "Quick Tips" on topics such as: Employing Poll Workers, Polling Place Management, Voting Accessibility, Communicating with the Public, Contingency Planning, Managing Change in an Election Office, Serving UOCAVA voters, and Developing an Audit Trail for the verification of votes;
- manages the Language Accessibility Program that provides informational materials on the federal election process, glossaries of election terminology in English and other languages, and translates the National Mail Voter Registration Form into languages other than English; and
- provides materials to voters and election officials to facilitate successful participation in federal elections.

Voting System Testing and Certification

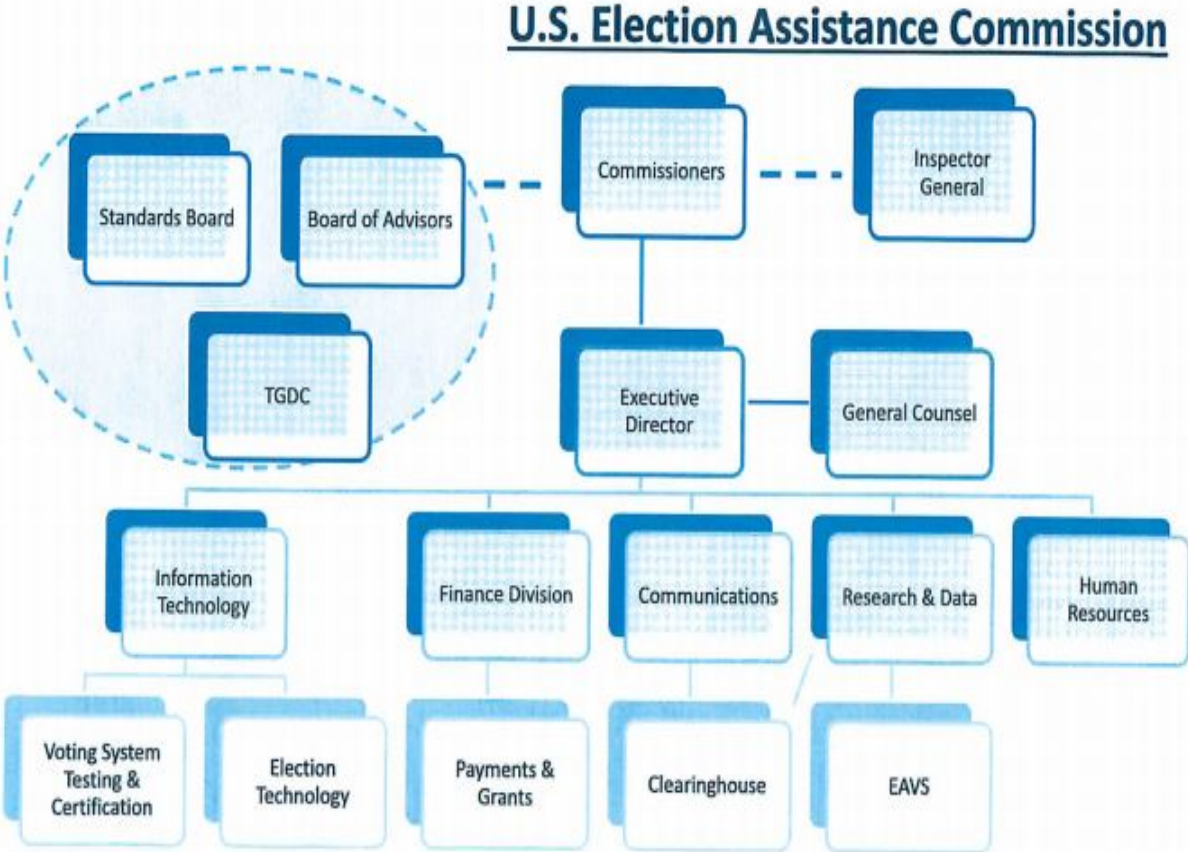
Under the Help America Vote Act, the EAC is responsible for assisting states with improvements to voting systems through the distribution of federal funds. The EAC accredits voting system test laboratories and certifies voting equipment. Participation by states in the certification program is voluntary. Throughout the certification process, the EAC provides election officials with test plans, test reports, and reports on voting system anomalies in the field. Staff members work with the National Institute of Standards and Technology (NIST) to evaluate and accredit voting system test laboratories, and the criteria regarding the voting system certification process's life cycle.

The Testing and Certification (T&C) Division:

- assists states with voluntary certification of voting systems;

- supports local elections officials in the areas of engineering change order updates, acceptance testing, and pre-election system verification for EAC-certified systems, issuance of Requests for Proposal, and information on how to maintain aging voting technology;
- promotes quality control in test laboratories and voting system manufacturing through the EAC Quality Monitoring Program, including periodic lab and manufacturing facility audits of EAC-registered entities;
- provides procedures to voting system manufacturers for the testing and certification of voting systems to specified federal standards consistent with the requirements of HAVA Section 231(a)(1);
- upon invitation or with permission from election officials, conducts reviews of systems in use in the field; and
- along with its advisory boards, EAC and NIST work together to update and implement voluntary testing guidelines for voting systems.

Organizational Chart



I.B. PERFORMANCE GOALS, OBJECTIVES, AND RESULTS

The EAC formalized its planning, reporting, and execution activities with its first five-year Strategic Plan 2009-2014. The Office of Management and Budget reviews the plan, and EAC presents it to its Board of Advisors and Standards Board for comment, as required by HAVA. EAC adopted the Plan in March 2009. Per OMB A-11, the EAC adopted a new strategic plan in 2018. The new Strategic Plan covers 2018-2022. Following OMB-136, the performance goals and results align with the Statement of Net Cost.

How EAC Assesses Performance

The sections below describe the role that the programs play in helping the commission meet its congressional mandates and the results needed to accomplish its goals. The EAC's 2018-2022 Strategic Plan extensively lists the strategy for collectively driving its programs to achieve the agency's mission. Outcomes measure the effect program outputs have on their stakeholders. Outputs are quantifiable targets that directly measure the results of a program. A program may have multiple outputs, but each output is associated with one program. Performance measures are quantifiable and documentable representations of a capacity, process, or outcome that is relevant to the assessment of performance.

Program Area: Communications

The Communications Division supports the mission of the agency by providing state and local election officials, voters, Congress, other federal agencies, and the public with reliable, accurate, and non-partisan information about the administration of federal elections.

Current Strategic Plan (2018-2022) Goals:

- **Build:** Proactively and responsively create products that help election officials improve the administration of elections and help voters more easily participate in elections.
- **Distribute:** Help election officials improve the administration of American elections through the distribution of EAC assistance and products.

FY2020 Accomplishments

The COVID-19 pandemic made election officials adjust how they managed elections across the country. Throughout 2020, the EAC adapted how it served election officials and the resources provided as the primaries and general election approached. The EAC accomplished the goals of building and distributing materials by listening to election officials' needs and adjusting to the virtual environment many were working in. This section primarily addresses the distribution of materials and information. Goal 3 describes the development of original research, promotion of election security and accessibility resources, and the creation of other best practices resources.

Communications, Events, and Outreach

In FY2020, the EAC continued to update and improve its website with dynamic and engaging content resulting in 2.3 million users on the website, with over 4.5 million page views. The communications team distributed 41 press releases and generated over 10,000 press mentions. The EAC hosted two in-person events early in the year: The 2020 Elections Summit and the 2020 Elections: Disability, Accessibility, and Security Forum. Because of the pandemic, the EAC hosted and produced a wide range of videos and live-streamed events. This year the EAC posted videos of 38 virtual events resulting in almost 43,000 views on YouTube alone. The EAC also shared these videos on social media to broaden their reach. The EAC exponentially grew its social media community resulting in 9,244 Twitter followers, 2,500 Facebook likes, 365 Facebook posts, 543 Instagram followers, and 875 LinkedIn follows.

Overall, the EAC hosted two in-person events, five COVID-19 related virtual hearings or roundtable discussions, virtual Board meetings, and three public hearings on the VVSG 2.0 Requirements. The EAC also designated September 1st, 2020, as National Poll Worker Recruitment Day to encourage more people to sign up to become election workers for the November election. The following provides additional detail about some of these efforts.

Twitter Performance Summary

Impressions 2,701,224 ↗108%	Engagements 72,436 ↗313%	Post Link Clicks 21,871 ↗615%
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Figure 1. Percentage change compares FY19 to FY20.

Media Coverage & Engagement

The EAC worked to be proactive with press outreach as well as responding to requests and making sure reporters have timely and accurate information about U.S. election administration. The EAC's staff and leadership regularly provide expertise on a broad range of topics and often highlight the Election Administration and Voting Survey data. In FY20, the EAC was mentioned in about 8,300 print stories and about 1,800 broadcast news stories in the United States.

Events

Before COVID-19 restrictions were in place, the EAC hosted two in-person meetings: The [EAC 2020 Elections Summit](#) and the [2020 Elections: Disability, Accessibility, and Security Forum](#). Both events were open to the public and press and were livestreamed.

The Elections Summit was an all-day event highlighting critical issues facing state and local election officials as they worked to prepare for the 2020 primaries and general election. State and local election officials, representatives from federal agencies that support elections, and other key election stakeholders discussed election security and combating foreign interference in elections. Other topics included, preparing for high turnout, ensuring access for voters with disabilities and limited English proficiency, and recruiting and training effective poll workers, among other topical issues.



The Disability, Accessibility, and Security Forum addressed growing concerns regarding accessibility and security. This all-day forum brought together state and local election officials, people with disabilities, disability advocates, and election security experts to discuss issues and advance solutions. The collaborative workshops and the EAC's efforts assisted election officials in identifying best practices to serve voters with disabilities in the 2020 elections and beyond.

As the COVID-19 pandemic impacted the country, EAC hearings, Board meetings, and forums moved to a virtual format. These meetings were live-streamed and open to the public. Recordings are available at eac.gov and on the EAC's [YouTube channel](#).

On February 7, the Technical Guidelines Development Committee (TGDC) unanimously approved VVSG 2.0 Requirements and sent the Requirements to the EAC Acting Executive Director via the Director of the National Institute of Standards and Technology (NIST). Part of the next steps in the VVSG 2.0 approval process were public hearings. The EAC hosted three virtual public hearings, which included comments from the public.

- Virtual Hearing 1: [Introduction and Foundation Of VVSG 2.0 Requirements](#)
- Virtual Hearing 2: [Implementation Of The VVSG at the State and Local Level](#)
- Virtual Hearing 3: [Manufacturers, Technology and Testing Labs](#)

Typically held in person in the spring, the EAC's annual Standards Board and Board of Advisors meetings, as mandated by HAVA, include election officials and other election stakeholders from around the country. Due to COVID-19, these meetings were held virtually this summer. A prominent focus of the meetings related to the VVSG 2.0 approval process and getting feedback from Board members. These meetings were live-streamed.

In addition to the EAC's regular efforts to support election officials, the agency also developed resources and events related to administering elections during the COVID-19 pandemic. Public events including virtual hearings and roundtable discussions featured state and local election officials, federal partners including representatives from the Centers for Disease Control (CDC), Federal Voting Assistance Program (FVAP), U.S. Postal Service (USPS), and other subject area experts. EAC hosted a combination of five virtual hearings and roundtable discussions:

- [Roundtable Discussion: Election Night Reporting for the 2020 Election](#)
- [Roundtable Discussion: Voter Registration During the COVID-19 Pandemic](#)
- [Roundtable Discussion: UOCAVA and Accessibility Issues During the COVID-19 Pandemic](#)
- [Public Hearing: Lessons Learned from the 2020 Primary Elections](#)
- [Public Hearing: Election Response to COVID-19 Administering Elections During the Coronavirus Crisis](#)

The EAC Commissioners also recorded a series of interviews with election officials, partners, and subject matter experts covering various issues addressing topics like absentee and vote by mail, use of CARES Act Grants, how states were utilizing the National Guard, and more. All these videos are available at eac.gov and the EAC's [YouTube channel](#).

During the primary elections, officials across the country reported critical shortages of poll workers amid the COVID-19 pandemic. In response, the EAC designated September 1, 2020 as National Poll Worker Recruitment Day to encourage more people to sign up to become

election workers for the November election. National Poll Worker Recruitment Day raised awareness about the benefits and importance of poll working and inspired more Americans to sign up. Leading up to September 1, the EAC drove those interested in signing up as poll workers to www.HelpAmericaVote.gov where they could find information on how to help in their community. The lookup tool on the page offered information about being a poll worker in specific jurisdictions including hours, requirements, pay, and information on how to apply. The EAC used social media, online tools, and earned media to build attention for the effort and alleviate the need for poll workers for the general election. The day garnered national attention and highlighted the need for poll workers across the United States. There was bipartisan support of the day with 37 state election offices participating along with advocacy groups, members of Congress, celebrities, and corporations.



In January 2020, the EAC announced the winners of our 2019 Clearinghouse Awards for Best Practices in Election Administration. The awards, also known as the Clearies, provide election offices across America an opportunity to share their innovative efforts and celebrate successes. EAC added a new category in 2019: Most Creative and Original "I Voted" Stickers. Under the Help America Vote Act of 2002 (HAVA), the EAC serves as a clearinghouse for election administration information. The Clearies are part of the EAC's efforts to share and highlight best practices in furtherance of that mandate.

Federal Advisory Committee Act (FACA) Activities

The EAC's three (3) FACA boards held a collective total of eight (8) meetings, including electing board officers, passing resolutions, and amending bylaws. The EAC also timely published Sunshine Act Notices in the *Federal Register* for the Federal Advisory Committee Meetings (the boards). The EAC Office of General Counsel coordinates EAC engagement with the three FACA boards with

programmatic and technical assistance in hosting meetings provided by the Communications and IT departments.

Freedom of Information Act (FOIA) Activity

The Office of General Counsel completed 20 FOIA requests during FY2020. It also maintained its online FOIA reading room to ensure frequently requested documents and information is easily available to the public.

Program Area: Finance (Payments and Grants Management)

The Office of Grants Management (Grants Office) within the EAC Finance Division supports the agency's mission by delivering and managing federal funds that help election officials procure modern election systems and improve the administration of federal elections. The Grants Office issues grant awards, provides guidance on the appropriate use of funds, oversees and monitors all state grant activities, provides technical assistance to the states, tracks activities, monitors expenses, prepares financial reports for Congress, resolves audits conducted by the OIG and closes out grants when all revenue is expended.

This program primarily supports the strategic goals listed below:

Current Strategic Plan (2018-2022) Goals:

- **Distribute:** Help election officials improve the administration of American elections through the distribution of EAC assistance and products.

FY2020 Accomplishments

HAVA CARES Funding

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) included \$400 million in new Help America Vote Act (HAVA) emergency funds, made available to states to prevent, prepare for, and respond to the coronavirus for the 2020 federal election cycle. This supplemental appropriation funding, distributed by the EAC to 55 states and U.S. territories, and the District of Columbia, provides them with additional resources to protect the 2020 elections from the effects of the novel coronavirus's effects. In FY2020, the grants office awarded the funding in 30 days. The open and active grants to 56 entities total \$397,205,287. Some states requested only the amount of funds they were sure they could match at the 20% required state share level.

HAVA Election Security Funding

The HAVA Election Security funds appropriated in 2018 and 2020 totaled \$805 million, \$380 million in 2018, and \$425 million in 2020. Congress authorized HAVA Election Security funds under Title I Section 101 of the Help America Vote Act (HAVA) of 2002. These funds mark the first new appropriations for HAVA grants since FY2010. EAC made grants to states to improve the administration of federal elections, including to enhance technology and make election security

improvements. In FY2020, as required by law, the grants office awarded the additional 2020 funding within 45 days of the signing of the Appropriations act. The open and active grants to 55 states and territories, and the District of Columbia total \$804,978,602.

HAVA Section 251 Requirements Payments

Requirements Payments are used to meet the requirements of Title III Uniform and Nondiscriminatory Election Technology and Administration Requirements of HAVA. Title III requirements include voting system standards, voting information requirements, provisional voting, statewide voter registration lists, and identification requirements for voters who register by mail. In FY2020, the grants office monitored Section 251 Requirements Payment open and active grants of \$1,940,912,185 to 41 states.

HAVA Section 101 Funding

Section 101 funds are more generally available for activities “to improve the administration of federal elections.” Activities include educating voters on voting rights, voting procedures and voting technology, training election officials and poll workers, improving, acquiring, leasing or replacing voting equipment, improving the accessibility and quality of polling places (including for voters with limited English proficiency), and hotlines for voters to obtain election information and/or report complaints of fraud or voting rights violations.

The grants office monitored Section 101 open and active grants in the amount of \$200,313,551 to 26 states.

Agency Capacity Building

The EAC hired a full-time Grants Manager to lead and support the increased responsibilities for the agency.

The agency developed an electronic format for submission and review of grantee progress reports. The grantees piloted the format in their 20-day CARES reporting and it is now implemented for progress reports across all HAVA grants.

The agency also transitioned from a manual paper submission process to electronic submission of grantee Federal Financial Reports in the Payment Management System operated by the Program Support Center at the U.S. Department of Health and Human Services. The system will be live for the report submissions due on December 29, 2020.

Also, the EAC is now fully compliant with requirements to post grant funding in USA Spending and has updated policies and procedures for submission of the data.

Finally, the agency received Paperwork Reduction Act approval from OMB for both progress and financial report information collection instruments and complies with this requirement.

Oversight and Monitoring

The EAC is mandated to monitor and provide oversight for all HAVA grants. The CARES Act requires states to submit reports on expenditures within 20 days of each primary and the general election. The EAC developed an efficient process to review and aggregate those reports and submit them to Congress within three days of the grantees' deadline, as required by the CARES Act. During FY2020, the grants office submitted reports to Congress related to the states' primaries between March 28, 2020, and September 30, 2020, the end of the fiscal year. In FY2021, the EAC will report on expenditures under the grant to support the 2020 general election on November 3 from 55 states and territories, and the District of Columbia. The EAC will continue to oversee the funds' expenditures and is developing a process to identify all funds remaining unspent to return to the U.S. Treasury after December 31, 2020.

During FY2020, staff reviewed Federal Financial Reports (FFRs) and accompanying narrative reports submitted by the states for their HAVA Section 101 grants for activities to improve the administration of elections, 251 Requirements Payment funds, and the 2018 appropriation of the Election Security grants. Information from the FFRs as of September 30, 2019, was used to compile the annual grant expenditure report during FY2020. The report is available on www.EAC.gov. The FFR covering the additional CARES funding is not due and reviewed until 2021.

The EAC's Inspector General audits the states' use of the funds, and EAC grants team has worked with the OIG to resolve and closeout audit findings.

Training and Technical Assistance

EAC staff members provide technical assistance to the states as they plan and implement federal funds. During FY2020, staff conducted remote technical assistance to states and developed tailored guidance around the CARES funding and use of other HAVA funding during the pandemic.

Specifically, EAC developed Frequently Asked Questions (FAQs), written guidance, and webinars to train grantees on the new CARES funding and the additional Election Security funds. The team responded to a high volume of inquiries regarding allowable, allocable, reasonable, and necessary expenditures and funding activities.

Additionally, EAC staff created guidance and training to support the change in reporting requirements and mechanism for the grantee progress and financial reports and coordinated indirect cost rate negotiations for states with the Department of Health and Human Services.

Program Area: Research

The Research Division supports the agency's mission by providing useful resources that assist state and local election officials in administering elections and helps voters participate in the process. Among the products created and managed by this program is the EAC's Election Administration and Voting Survey (EAVS). The Research Division primarily supports the strategic goals listed below. .

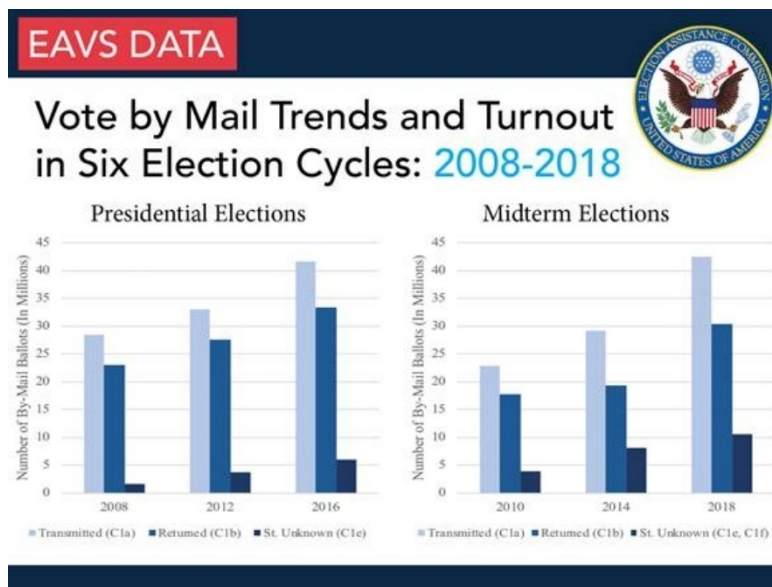
Current Strategic Plan (2018-2022) Goals:

- **Analyze:** Expand the nation’s comprehensive understanding of American election administration.
- **Build:** Proactively and responsively create products that help election officials improve elections administration and help voters more easily participate in elections.
- **Distribute:** Help election officials improve the administration of American elections through the distribution of EAC assistance and products. Research is responsible for gathering and creating election administration resources to assist election officials and voters.

FY2020 Accomplishments

Conducting Original Research

On a biennial basis, the EAC administers the EAVS, the most comprehensive survey on data and practices concerning the administration of U.S. elections. The survey collects data on more than 400 variables from all fifty states, the District of Columbia, American Samoa, Guam, Puerto Rico, and the Virgin Islands. The EAVS dataset is usable by other federal agencies, election officials, academics and other researchers to understand and improve the administration of U.S. elections. Additionally, through the successful administration of EAVS, the EAC meets numerous legislative mandates related to the Uniformed and Overseas Citizens Absentee Voting Act and the National Voter Registration Act for the collection of information pertaining to the administration of U.S. elections.



In FY2020, the EAC initiated a needs assessment review by interviewing 34 states about their experiences completing the 2018 EAVS and gathered input from participants about the 2020 EAVS. In October 2019, the EAC began the 60-day public comment period for the 2020 EAVS, and the 30-day public comment period began in February 2020. The Policy Survey was revised and expanded to add new questions, electronic ballot transmission, mail balloting deadlines, postmark requirements,

and election certification dates. Following approval from OMB, the EAC proceeded to administer the 2020 EAVS. In the summer of 2020, the EAC initiated usability testing of the survey for the first time. Through this user-centered testing, EAVS and Policy Survey navigation is evaluated by real users under the observation of a trained researcher to improve user experience. The EAC conducted pre-2020 survey administration outreach calls with 10 states to enhance technical assistance that accompanies the survey. The EAC also published an updated *Guide to the Election Administration and Voting Survey* for the first time in 10 years. Based on feedback received through outreach to states, the Policy Survey was available to states to complete in August 2020, which is the first time it was administered before the election and allows for data pre-population of the EAVS, which opened for states to complete after the November 2020 elections. The EAC also released three state-requested updates to the 2018 EAVS data and a data interactive using 2018 EAVS data.

In FY2020, the EAC staff on the research team completed training related to survey design and cybersecurity to enhance the current knowledge base and research capacity in this and related areas.

The EAC is continually building products using EAVS data. For example, the EAC staff on the research team have written blogs using past EAVS data to inform election officials, the public, and the media on election administration trends over time related to voting by mail and poll worker recruitment. Staff also interviewed state and local officials to write products on GIS mapping and voter assignments, statewide voter registration databases, and options for states to consider for mail-in voting. Lastly, staff performed data analysis on past EAVS data related to over 40 vote by mail and poll worker inquiries from the media and the agency's commissioners.

Serving Voters

In FY2020, the EAC processed three state-requested updates to the National Mail Voter Registration form instructions and accompanying language translations. The EAC began to process a fourth state's updates at the end of the fiscal year. In addition to the form's availability in 15 languages, a Braille translation of its content was added in Fall 2019. The EAC understands it must not only help election officials improve the administration of their elections, but must also directly help voters. Voter resources is one of the most frequently visited portions of the agency's website. Voters can find a Voter's Guide to Federal Elections, resources for overseas and military voters, information on registering to vote – including the National Mail Voter Registration Form, information about becoming a poll worker, general educational information, and Election Day contact information. In FY2020, staff on the research team responded efficiently to over 550 voting questions from domestic and overseas voters across 40 states and five countries.

Program Area: Testing and Certification

The Testing and Certification Division supports the mission of the agency by providing project management and subject matter expertise in the modification of the Voluntary Voting System Guidelines (VVSG), overseeing the testing and certification of voting systems to the VVSG, running a quality monitoring program to ensure that EAC-registered voting system manufacturers and EAC-accredited voting system test laboratories (VSTL) comply with VVSG and EAC policies, and assisting election administrators. This program primarily supports the strategic goals listed below.

Current Strategic Plan (2018-2022) Goals:

- **Build:** Proactively and responsively create products that help election officials improve the administration of elections and help voters more easily participate in elections
- **Distribute:** Help election officials improve the administration of American elections through the distribution of EAC assistance and products.

FY2020 Accomplishments

The EAC administers and manages the only national standard-setting program to build, test, and certify voting systems. States' use of this program and its standards is voluntary. Most, if not all, states use the program in some way. The program operates by creating and modifying the VVSG, certifying test laboratories to test against these guidelines, and administering voting system test campaigns. Manufacturers submit voting systems to the test laboratories for testing. If a voting system meets all the requirements established in the guidelines, then the EAC certifies the voting system. Election officials use this information to help them know that they are procuring high-quality, reliable voting systems. Some states only allow their officials to procure and use voting systems that have been certified to the VVSG. Other states use the standard by itself, and still, others use the testing program's labs to help with their certifications.

To ensure that the EAC is setting a standard of modern quality that helps ensure voting systems are secure, accessible, up-to-date and functional, the EAC's Testing and Certification program works to update the standard and its underlying components. In FY2019, EAC made significant progress in the continued crafting and presentation of the newest set of standards, VVSG 2.0. This certification standard includes modern security, accessibility, and functionality standards. Technology, its uses, and the threats against it are changing, and the EAC is working to help ensure voting systems are ready for current challenges. The VVSG 2.0 draft requirements were drafted and reviewed by the Technical Guidelines Development Committee during their September 2019 meeting.

In addition to the work on VVSG 2.0, the EAC's Testing and Certification program tested and certified ten voting systems. To continue the EAC cybersecurity efforts, the program provided Election Technology and Security Training to over 400 state and local election officials in three states across the country. Election officials are managers of complex IT systems. The EAC uses its unique ability to collect information and practices from around the country to help election officials be effective IT managers. The training prepares election officials to understand better how to manage best and secure their IT systems in their states.

The Testing and Certification program also provided risk-limiting audits (RLA) assistance to states to several states. Some services included drafting protocols and providing hands-on training for pilot RLAs, and some assistance involved discussions about how to implement RLAs in particular jurisdictions.

These ongoing, regular efforts to assist election officials are critical to the successful operation of the program. Thousands of election jurisdictions nationally are continually researching and procuring

voting equipment, and the EAC's Testing and Certification Division help them navigate this process with confidence.

Program Area: Cyber Access and Security Program

The Cyber Access and Security program (CAS) was launched in 2020 and supports the agency mission by making timely and relevant cybersecurity information available to election officials and others involved in election administration. Additionally, the program supports internal training, compliance, and monitoring to ensure the agency's cybersecurity posture remains at consistently high levels. This program primarily supports the strategic goals listed below.

Current Strategic Plan (2018-2022) Goals:

- **Build:** Proactively and responsively create products that help election officials improve the administration of elections and help voters more easily participate in elections
- **Distribute:** Help election officials improve the administration of American elections through the distribution of EAC assistance and products.

FY2020 Accomplishments

The Cyber Access and Security Program (CAS) is an integral part of the EAC's clearinghouse mission. CAS maintains an Election Security Preparedness page on the EAC website with cybersecurity, risk management, training, best practice, and other resources to support this key mission objective. CAS coordinates closely with other agencies such as NIST, CISA, and FBI to produce relevant and timely products that complement other agency offerings. Examples of this include the publishing of a joint risk management guide for remote ballot delivery and return and the hosting of CISA's Election Risk Management online tool.

CAS also engages with private partners to produce high-quality cybersecurity training materials for use by state, local, tribal, and territorial election administrators. In partnership with the Center for Tech and Civic Life (CTCL), the EAC made available no-cost, self-paced online cybersecurity training focused on election officials. Additionally, the program engaged FireEyes's resources to produce webinars on cyber risk and crisis management and create complimentary white papers for each.

The EAC and CAS continue to seek new and innovative ways to deliver high-quality information and training to election officials. As the federal agency tasked with distributing election administration best practices, the EAC is well positioned to expand its leadership in this area in coordination with our public and private partners.

Additional Information Regarding Agency Management and Operations

EAC leadership regularly works to further the agency's mission by providing EAC staff the necessary resources to improve performance and strengthen internal controls that will maximize the agency operation. This program primarily supports the strategic goals listed below.

Current Strategic Plan (2018-2022) Goals:

- **Operate:** Ensure continued effective operation of the EAC in order to achieve its goals while acting as good stewards of public funds.

During FY2020, the EAC held a virtual Standards Boards and Board of Advisors meeting in June pursuant to the Help America Vote Act. The Advisory Boards reviewed the next generation of VVSG, discussed the intent and application process for newly appropriated HAVA funding, examined election security efforts, and tackled other timely election-related issues, such as disaster recovery contingency planning.

Pursuant to government reform initiatives, the EAC is actively working with the Office of Management and Budget and looking at our funding mechanism with NIST. In addition, the Office of Personnel Management (OPM) completed an assessment of our structure and positions that will contribute to the creation of the Human Resources Plan, address the EAC's planning and strategy processes, and evaluate internal policies and procedures.

The EAC focuses on establishing sound systems and policies and procedures, working with managers on the relationship between budget and performance, maximizing efficient use of staff and financial resources, and training the EAC staff on financial management processes and their specific, individual responsibilities. Budget holders complete assessable unit risk and fraud assessment questionnaires. The risk and fraud assessments are reviewed by the Executive Director and the Financial Director, and rolled into the agency's Annual Statement of Assurance that is presented in this report.

In FY2020, the EAC continued to provide financial management tools and support to staff. Agency staff can utilize five automated systems (procurement, travel, purchase card, invoice, and time and attendance) via interagency agreements with the General Services Administration and the U.S. Department of Treasury Bureau of the Fiscal Service. The EAC staff Contracting Officer's Representatives (CORs) were provided annual training and have access to free online COR and invoice approval training via the procurement service provider agency.

FY2020 Performance Summary

The following table presents key EAC FY2020 program performance results data.

	Performance Indicator	Type of Indicator	Outcome
Program Area: Communications and Clearinghouse			
	Regularly issue information on EAC activities.	Output	Distributed about 41 press releases Generated about 8,300 print press mentions and about 1,800 broadcast mentions 365 Facebook posts with over 250,000 impressions 798 Tweets with about 2.7 million impressions
	Produce the annual report of EAC activities to Congress by January 31 of each year for the preceding year ending September 30, and other original documents.	Output	Annual report transmitted to Congress January 31, 2020 Lead writing of Lessons Learned from the 2020 Primaries GCC/SCC Joint COVID Working Group documents and contributed to other Working Group materials Tips for Empowering Voters with Disabilities in the 2020 General Election and COVID-19 Crisis Produced the video " In-Person Voting Guidelines Amid COVID-19 presented by the EAC " Developed content and social media campaign for National Poll Worker Recruitment Day and acquired the url HelpAmericaVote.gov .
Program Area: Finance (Payments and Grants Management)			
	Award 2020 Election Security Funding	Output	Awarded in 45 days
	Award CARES Act Funding	Output	Awarded in 30 days
	HAVA Section 251 Requirements Payments Oversight and Monitoring	Output	Continuous monitoring of grant reporting and activities
	HAVA Section 101 Funding Oversight and Monitoring	Output	Continuous monitoring of grant reporting and activities
	Establish electronic format for progress reporting	Output	The format was piloted for the 20-day CARES reporting and is now implemented for progress reports across all HAVA grants.

Election Assistance Commission
FY 2020 Agency Financial Report

	Establish electronic format for financial reporting	Output	The Payment Management System process for Federal Financial Reports has been setup and will be live for the next round of report submissions due on December 28, 2020
	Paperwork Reduction Act approval for both progress and financial report information collection instruments.	Output	EAC is fully compliant with this requirement.
	Review progress reporting and reporting anomalies or failures to file within 30 days.	Output	EAC reviewed Federal Financial Reports (FFRs) and accompanying narrative reports submitted by the states for their HAVA Section 101 grants for activities to improve administration of elections, 251 Requirements Payment funds and the 2018 appropriation of the Election Security grants. EAC also reviewed the 20-day Progress Reports for CARES grants.
	Submit 20 Day CARES Act Reports to Congress within 3 days of grantee deadline.	Output	100%. EAC turned around every report to Congress within the required timeframe.
	DATA Act – USASpending.gov Grants Reporting	Output	100%. EAC is now fully compliant with requirements to post grant funding in USA Spending and has updated policies and procedures for submission of the data.
	Training and Technical Assistance	Output	Provided training and technical assistance over email, phone, webinars and written guidance in the form of Frequently Asked Questions for HAVA and CARES funding usage under the pandemic.
Program Area: Research			
	Effectively and efficiently distribute federal resources to EAC stakeholders.	Output	Updated 3 state requests to the NVRA form, translated NVRA form into Braille, created 1 online tool for election research and data
	Serve as an expert on the administration of American elections.	Output	Wrote research products on GIS mapping and voter assignments, statewide voter registration databases, and options for states to consider for mail-in voting. Wrote blog posts on vote by mail and poll workers using EAVS data. Performed EAVS data fact checks originating from press requests. Responded to over 550 voter questions leading up to the 2020 election.
Program Area: Testing and Certification			
	Test and certify voting systems.	Output	Certified 10 voting systems
	Produce voting system guidance for use in the field.	Output	Began public comment review of VVSG draft requirements and updating relevant EAC documentation

Program Area: IT & Cyber			
	Transition to fully remote workforce in response to COVID-19	Output	The EAC was able to fully transition its operations, overnight, to a fully remote workforce without degradation to its services
	Provide timely cybersecurity training information to election officials	Output	The EAC provided no-cost, self-paced training via online content delivery for cybersecurity 101, 201, 301 courses as well as webinars focused on cyber risk and crisis management.
	Increase the cybersecurity capabilities of the agency for both internal and external customers	Output	The EAC hired two staff with extensive cybersecurity backgrounds and moved a third from the Testing and Certification program to a newly created Cyber Access and Security Program.
	Continue to modernize EAC IT infrastructure	Output	The EAC converted its cloud-based collaboration tools from Google Gsuite to Microsoft Office 365 to improve integration with our existing MS Azure cloud investments.

Portfolio Analysis

Since 2004, EAC has received funds in four appropriations: Salaries and Expenses, Election Reform Programs, for FY2008 only, Election Data Collection Grants, and for FY2020 only CARES. In FY2020, EAC received funds in the Salaries and Expenses (S&E) appropriation of \$15.2 million and \$425 million in election security grants. The S&E appropriation was used for a \$1.5 million transfer to NIST, agency relocation expenses, payroll, travel, rent, telecommunications, printing, contracts, supplies, subscriptions, equipment and software. Additionally, the EAC received \$400 million in Coronavirus Aid, Relief, and Economic Security (CARES) Act to assist election officials prepare for the primaries and general election in response to COVID-19.

I.C. FINANCIAL RESULTS

The following analysis is intended to provide information on EAC’s financial results, position, and condition as portrayed in the financial statements and the notes to the statements presented in Sections II.D and II.E of this report. Changes in assets, liabilities, costs, revenues, obligations, and outlays are explained; comparisons are made between amounts in FY2019 to FY2020; and the relevance of balances and amounts in the financial statements and notes are discussed. The changes provide context as to how the year’s activities impacted the agency’s financial position.

Budgetary Resources

Budgetary resources are the amounts made available and their status at the end of the fiscal year. The majority of EAC’s available budgetary resources are in the one-year Salaries and Expenses appropriation. Budgetary resources include new Budget Authority from annual Salaries and

Expenses appropriations, unpaid obligations, recoveries, offsetting collections, carryover no year grant funds, and unobligated balances.

FY2020, the available budgetary resources were \$843.6 million, up from \$14.5 million in FY2019. In FY2020, as mentioned previously, EAC's appropriations totaled \$15.2 million for Salaries and Expenses, including a \$1.5 million non-expenditure transfer to NIST and \$825 million in grant funds.

Obligations Incurred increased from \$7.8 million in FY2019 to \$837.8 million in FY2020 (due to S&E appropriation increase and grant funding). The Unobligated Balance – Apportioned decreased from \$1.6 million in FY2019 to \$1.2 million in FY2020.

Financial Position

Assets

EAC had \$15.1 million in total assets (Fund Balance with Treasury; Accounts Receivable; Property, Equipment, and Software; and Other Assets) as of September 30, 2020, compared to \$10.1 million in FY2019.

Liabilities

EAC had total liabilities (Accounts Payable, accrued salaries and benefits, and unfunded leave) of \$645,871 as of September 30, 2019. Liabilities increased to \$2,845,558 as of September 30, 2020.

Net Position

Net position (Unexpended Appropriations and Cumulative Results of Operations) increased from \$10.1 million in FY2019, to \$15.1 million in FY2020.

Results of Operations

The EAC, as presented in the Statement of Net Costs, reports the results of operations within four programs: Analyze; Build; Distribute; and Operate. Costs specifically identified with each of the programs, such as direct personnel costs and specific program contract expenses, are allocated to the programs directly. Other general agency overhead costs, such as rent, information technology, and financial management, are allocated on a per employee basis. The methodology is outlined in EAC's Cost Allocation Model and is reviewed by the financial statement auditors each year to ensure the accurate allocation of expenses to each program.

The Total Net Cost of Operations (expenses in the Salaries and Expenses, and Election Reform Programs appropriations) for the EAC was \$834 million due to the appropriation of the Election Security grant and CARES grant, increased from \$9 million in FY2019.

Limitations of the Financial Statements

The principal financial statements have been prepared to report the financial position and results of operations of the entity, pursuant to the requirements of 31 U.S. Code 3515(b). The statements have been prepared from the books and records of EAC 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 in addition to the financial reports that are used to monitor and control budgetary resources during execution of the budget, which are prepared from the same books and records.

The statements should be read with the understanding that they are for a component of the U.S. Government, a sovereign entity.

I.D. ANALYSIS OF CONTROLS, MANAGEMENT SYSTEMS, AND LEGAL COMPLIANCE

Internal Control Environment

EAC is subject to numerous legislative and regulatory requirements that promote and support effective internal controls. EAC believes that maintaining integrity and accountability in its programs and operations is critical for good government, demonstrates responsible stewardship over assets and resources, helps ensure high-quality and responsible leadership, allows for effective delivery of services to customers, and maximizes desired program outcomes.

EAC has developed and implemented management, administrative and financial system controls with the aim of ensuring that: 1) programs and operations achieve intended results efficiently and effectively, 2) resources are used in accordance with the mission of the agency, 3) programs and resources are protected from waste, fraud and abuse, 4) program and operational activities are in compliance with laws and regulations, and 5) reliable, complete and timely data are maintained and used for decision-making.

The agency can provide unqualified assurance that internal control over financial reporting is effective, ensuring that transactions are executed in accordance with budgetary and financial laws and other requirements, consistent with the purposes authorized, and recorded in accordance with federal accounting standards. EAC ensures that assets are properly acquired and used, and safeguarded to deter theft, accidental loss or unauthorized disposition, and fraud.

Laws that help the EAC improve the management of its financial operations and programs are as follows:

Federal Manager's Financial Integrity Act

The Federal Manager's Financial Integrity Act (FMFIA) of 1982 requires Executive Branch agencies to establish, maintain, and assess internal controls to ensure that agency program and financial operations are performed effectively and efficiently. To help ensure that controls have been identified and implemented, the heads of agencies must annually evaluate and report on the effectiveness of internal controls (FMFIA Section 2) and financial management systems (FMFIA Section 4) that protect the integrity of federal programs.

Entity-Wide Security Program

The EAC's Information Technology (IT) staff explores innovations to update and improve network services for security, availability, efficiency, and productivity. Currently, EAC operates its own infrastructure. The EAC IT staff of four maintains personal computers, smart phones, and servers; provides software requested by EAC staff, remote access services, Voice Over Internet Protocol and Interactive Voice Response telecommunications tools; and performs vulnerability scans (in addition to DHS Cyber Hygiene scans). IT staff remediates and updates security patches so that staff is equipped to perform work both on- and off-site in a secure environment.

The EAC manages firewalls, intrusion detection, Trusted Internet Connections (TIC) compliant T1 lines, and routers and switches for Federal Information Security Management Act (FISMA) compliance. The EAC's cybersecurity management needs are managed by three staff members with extensive cybersecurity backgrounds as part of a newly created cybersecurity program. The program, in conjunction with IT personnel, continuously monitors the EAC's IT systems security as described in OMB M-10-15, *FY 2010 Reporting Instructions for the FISMA and Agency Privacy Management*, dated April 21, 2010.

Federal Information Security Management Act

EAC was overall in compliance with the Federal Information Security Management Act at the end of FY2020. The audit will be available on EAC's website.

Audit Follow-Up

EAC's Office of the Inspector General (OIG) conducts audits and reviews of the agency's operations. The Office of the Chief Financial Officer (OCFO) works closely with EAC management and the OIG to complete actions necessary to respond to audit findings. EAC's Inspector General's statement of major management and performance challenges are documented in Section III.A. of this report. EAC also considers and responds to recommendations from audits and reviews conducted by the Government Accountability Office.

Federal Financial Management Improvement Act

Per OMB Bulletin No. 14-02, "Audit Requirements for Federal Financial Statements," EAC as an Accountability of Tax Dollars Act of 2002-covered agency, is not subject to the requirements of the Federal Financial Management Improvement Act.

Accountability of Tax Dollars Act of 2002

The FY2020 financial statement audit report identified no material weaknesses in internal control over financial reporting.

Inspector General Act Amendments of 1988

The EAC Office of the Inspector General audits HAVA funds administered by recipients of HAVA payments and grants, and transmits OMB Circular A-133 single audit reports that present findings on HAVA funds to EAC. The principal recipients of HAVA payments and grant funds are state governments.

Fraud Reduction Report

Pursuant to the Fraud Reduction and Data Analytics Act of 2015 (Public Law 114-186, 32 U.S. Code 3321 note), EAC is reporting on its fraud reduction efforts since the final quarter of FY2020 in three key areas:

I. Implementation of financial and administrative controls

Financial and administrative controls are described in the EAC's Annual Accounting Handbook, Annual Financial Statement Preparation Guide, Procurement Handbook, Budget Policy, Administrative Control of Funds Policy, Internal Control Procedures, Grants Handbook, and Travel Handbook. Standard Forms 49 Requisitions are used for credit card approvals. The forms are used to reconcile monthly purchase card statements in the Citi system, entered by cardholders and reviewed and approved by the Financial Manager as cardholder agency point of contact.

Financial and administrative controls are further described in annual cycle memoranda prepared as part of the annual financial statement audit, which lasts from April through mid-November. The memos are in the areas of: Fund Balance with Treasury, Accounts Receivable, Accounts Payable, Payroll, Budget, Cash Receipts and Disbursements, and Undelivered Orders.

II. The fraud risk principle in the Standards for Internal Control in the Government (the GAO Green Book)

Principle 8 of the Green Book requires agency management, "to consider the potential for fraud when identifying, analyzing, and responding to risks." The Green Book defines fraud as "obtaining something of value through willful misrepresentation." Historically, EAC has not experienced willful fraud. Management views the risk of fraud as minimal given the agency's size, budget, existence of shared service providers, and a culture of zero tolerance for fraud. Further, management signed a document stating that they are not aware of instances of fraud in FY2020.

The Green Book identifies three types of fraud:

1. Fraudulent financial reporting (intentional misstatements or omissions or disclosures)
2. Misappropriation of assets (theft, embezzlement, fraudulent payments)
3. Corruption (bribery and other illegal acts)

Another fraud risk is misconduct (e.g., waste or abuse of government resources).

The EAC, has built-in segregation of duties with a contractual financial, travel and procurement services provider at another federal agency via interagency agreement, a second federal agency provider for payroll and human resources services, a third interagency for a large contract, and a full-time Inspector General. Most financial transactions involve three individuals.

EAC is assessed to have a low risk of fraud in these areas:

- Fraudulent financial reporting risk: financial reporting is provided by one of the four OMB-authorized financial service providers. All financial reporting, including financial statements and necessary journal entries, is reviewed and approved by the EAC Finance Office prior to publication. Further, the EAC has undergone a financial statement audit by an independent financial auditor each year since FY2008. The auditors' working papers are reviewed by the agency's Inspector General.
- Misappropriation of assets: assets are recorded in the general ledger, inventoried and tagged by two offices within the EAC, and schedules of depreciation of the assets are maintained by the

financial services provider. The EAC's building and its assets are secured by the Federal Protective Service via interagency agreement. Property removed from the building requires presentation of a signed property pass to a guard.

- Bribery: contracting officers are located at other agencies, the EAC staff serves as vendor contract proposal evaluation panel reviewers, funds for procurements are certified by the Finance Office, and staff is made aware in mandatory training and at all staff meetings that taking gifts valued over \$20 is prohibited.
- Illegal acts: staff is encouraged to report perceived illegal acts to the General Counsel as Ethics Officer, supervisors, and the Inspector General. The EAC's Human Resource Handbook provides thorough descriptions of standards of conduct, fitness for duties based on character and conduct, disciplinary and adverse actions for misconduct, and ethics.
- Waste of government resources and abuse of authority or position: the IG maintains a fraud, waste, abuse hotline. Staff and the public can call the hotline anonymously to report perceived cases of fraud, waste, or abuse. Further, staff is provided with Whistleblower training, so they know how to protect themselves from repercussions related to reporting wrongdoing. Other EAC mandatory training includes Privacy Act and IT security training. Standards of conduct are laid out in the EAC's Office of Human Resources Handbook, available on the agency's shared drive, and reviewed at New Employee Orientation. The manual specifies that the agency's General Counsel serves as the Designated Agency Ethics Officer, who should be consulted on specific issues of concern.

Fraud risk factors in the Green Book are incentive/pressure, opportunity (e.g., absence of or ineffective controls, override of controls), and attitude/rationalization. The risk factors are used by management to identify fraud risks. As mentioned above, the EAC relies on Inspector General and internal auditors and other internal and external individuals to provide information about suspected fraud or allegations of fraud.

The risk of opportunity is greatly reduced with financial staff at the EAC separate from the accounting and procurement service provider. Independent auditors recommendations are taken seriously and implemented timely, at times in conjunction with the service providers' controls. The EAC does not have identified material weaknesses in internal controls over operations in FY2020. Any management override of controls would necessarily involve staff at two federal agencies since the EAC does not have "write" access to the core financial system.

Management communicates the consequences of committing fraud in mandatory Ethics, Prohibited Practices and Whistleblower Protection, Information Technology Security, Privacy Act, and Privacy Rules of Behavior training.

III. OMB Circular A-123 with respect to leading practices for managing fraud risk

The EAC management and its independent financial statement and Federal Information Security Management Act (FISMA) auditors are responsible for disclosing detected risks. This and other information help management identify and assess risks. Assessment of fraud risk is crucial so that it can be mitigated or prevented and does not adversely impact agency mission and operations objectives by affecting its ability to effectively and efficiently use its resources.

The EAC is required to report on progress in identifying risks and vulnerabilities to fraud, including the areas of: payroll, beneficiary payments (such as life insurance), grants, large contracts, information technology and security, asset safeguards, purchase cards, and travel cards. The EAC has assessed its vulnerabilities to fraud in these areas as low, taking into account use of another federal agency for payroll, IT and human resources services, and a second federal agency for accounting services, disbursement of grant funds, and purchase and travel card programs. Via interagency agreement, two agencies award EAC's large contracts. As mentioned elsewhere in this report, assets are protected by Federal Protective Service guards assigned to the building, and by a key card system protecting the EAC's suite within the building.

Due to its size and relationship with federal service providers, where the majority of financial transactions involve separation of duties and involvement by at least three staff, the risks within the agency are assessed to be low. Grant risks are remediated by Inspector General audits and agency assistance to grantees on technical assistance and audit resolution. The EAC controls include controls related to its use of service organizations. Separation of duties between federal entities is laid out in the roles and responsibilities sections of their interagency agreements.

The EAC utilizes automated time and attendance, procurement, contract payments, and travel and purchase card systems housed at other agencies. EAC has agency points of contact for purchase and travel cards, as does the financial service provider. Travel service provider accountants reconcile EAC's Central Billing Account each month. Agency-specified types of vendors allowed for use are established under the procurement card program via the use of Master Contract Codes. All other vendors will result in a card decline until the type of procurement is reviewed and access is given temporarily for the purchase.

Grantees, as well as vendors, are required to be registered in the federal System for Award Management (SAM). Grantee requests for payment are reviewed by several staff at the EAC and recorded on route slips prior to sending the requests to the service provider's Accounts Payable office. Further, grantee Federal Financial Reports are reviewed and analyzed each year. The process includes confirmation of period of performance of the award, report type (annual or final), Dun & Bradstreet Number and Employer Identification Number. Total award, Required Match, and Program Incomes are reviewed for accuracy. The reports are reconciled against prior year submission to analyze spending rates over time. Questions and errors are relayed back to the grantee timely. EAC creates reports tracking key metrics related to expenditure of federal funds and state match. Grant expenditure reports are provided to Congress and posted on EAC.gov.

Requests for payments to vendors are reviewed by trained and certified Contracting Officer's Representatives. Payments are made by service provider staff for interagency agreements, and in the Internet Payment Platform for the two federal agencies that award contracts on EAC's behalf for commercial vendors by EAC CORs. If a vendor claims nonpayment of bills, Treasury reports are requested to provide banking information confirming payment with banking information. It should be noted that grantees and vendors contact the agency if a payment is not received timely, which could be an indicator of fraud, so misdirection of funds is considered low risk. Financial system controls prevent vendor overpayment.

Further, CORs and the EAC Finance Division provide quarterly accruals and deobligations to the financial service provider on all open obligations. The Finance Office is required to certify that the open obligations are valid. The certification is reviewed by the financial statement auditors each year.

Each year, the EAC performs an Improper Payments Elimination and Recovery Improvement Act review for the financial statement audit.

Strategies, Procedures and Other Steps

The EAC is required to report progress to curb fraud by establishing strategies, procedures, and other steps. Steps include agency requirement for ethics training for all staff, which includes how to avoid a conflict of interest. Several staff members complete confidential and public Financial Disclosure reports annually. The reports are reviewed by the Ethics Officer for conflicts of interest. Further, Contracting Officer's Representatives are required to take Ethics in Contracting training, which further reinforces the need to avoid conflicts of interest in procurements. Contracting Officer's Representative can also take a free online course entitled Procurement Fraud Indicators.

Cards and system access are cancelled for exiting employees. The financial service provider asks for annual certification from the Finance Office on all systems access by EAC staff. The process includes review of roles and transaction amount limits for authorized staff.

The EAC undergoes annual financial statement and Federal Information Security Management Act audits. The EAC reviews grant audit findings and works with grantees pre- and post-audit. The EAC reviews financial transactions for error and potential fraud, and the financial service provider has staff accountants with CPAs who review financial transactions. Generally, the requestor of a transaction, his or her supervisor, and the EAC funds certifier sign off on transactions. The service providers obligate procurement funds. The EAC analyzes its shared service provider's regular audits throughout the year including purchase card payment timeliness, completeness of card logs, and accuracy of payments; Internet Payment Platform invoice post-payment audits of timeliness and accuracy, prompt pay reports; accounts payable delinquencies; and travel audits of compliance with the Federal Travel Regulation, attachment of required receipts to vouchers, and accuracy and timeliness of payment amounts.

GONE Act

CATEGORY	2-3 Years	3-5 Years	More than 5 Years
Number of Grants/Cooperative Agreements with Zero Dollar Balances	1	3	5
Number of Grants/Cooperative Agreements with Undisbursed Balances	0	0	0
Total Amount of Undisbursed Balances			

In 2020, EAC closed 18 grants. There are no other grants overdue for closeout. The eight grants remaining to be closed require additional data from the grantees and final Federal Financial Reports before EAC can close them. EAC expects to receive that data in the next three months.

Annual Assurance Statement on Internal Control

December 14, 2020
December 14, 2020

The management of the Election Assistance Commission (EAC) is responsible for establishing and maintaining effective internal control systems that are designed to ensure the achievement of the Federal Managers' Financial Integrity Act (FMFIA) and Office of Management and Budget (OMB) Circular A-117, *Federal Managers' Financial Integrity Act (FMFIA) Risk Mitigation and Internal Control* (OMB Circular A-117), a component of EAC's management system, providing reasonable assurance that the following objectives are being achieved: effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations. The EAC's assessment of internal controls for ensuring the effectiveness and efficiency of operations focused on assessing controls for ensuring the reliability of information associated with the performance measures presented in its strategic plan and self-assessments. With respect to assessing internal controls designed to ensure the reliability of financial reporting, the EAC relied upon the evaluation of internal controls over financial reporting and conducted by its independent auditors on aspects monitored by the Inspector General and the agency risk assessments and letters of assurance over the program offices, financial management functions (accounting, budget, payments and grants, and procurement), and administrative offices. Regarding internal controls to ensure compliance with laws and regulations, the EAC relied upon the evaluation conducted by its independent auditors and the Inspector General.

Regarding internal controls to ensure compliance with laws and regulations, the EAC relied upon the evaluation conducted by its independent auditors and the Inspector General. In FY 2020, the auditors found no material weaknesses or significant deficiencies in internal controls over financial management reporting. Further, the auditors found no instances of noncompliance with FMFIA regulations. In FY 2020, the auditors found no material weaknesses or significant deficiencies in internal controls over financial management reporting. Further, the auditors found no instances of noncompliance with laws and regulations. The EAC provides an unmodified statement of assurance that internal control and financial management systems meet the objectives of the Federal Managers' Financial Integrity Act.

The EAC provides an unmodified statement of assurance that internal control and financial management systems meet the objectives of the Federal Managers' Financial Integrity Act.



Chairman Hovland



Chairman Hovland

SECTION II

Financial Section



U.S. ELECTION ASSISTANCE COMMISSION
1335 EAST-WEST HIGHWAY, SUITE 4300
SILVER SPRING, MD 20910

OFFICE OF THE INSPECTOR GENERAL

November 13, 2020

Benjamin W. Hovland, Chairman
U.S. Election Assistance Commission
1335 East-West Highway, Suite 4300
Silver Spring, MD 20910

Re: Audit of the U.S. Election Assistance Commission's Financial Statements for Fiscal Year
2020 (Assignment No. I-PA-EAC-01-20)

Introduction

The Chief Financial Officer's (CFO) Act of 1990 (P.L. 101-576), as amended, requires the Inspector General for the U. S. Election Assistance Commission (EAC) or an independent external auditor, as determined by the Inspector General, to audit EAC's financial statements. The independent public accounting firm of Brown & Company CPAs, PLLC (Brown & Company) performed the audit of the EAC's financial statements under contract with the Office of Inspector General (OIG). The contract required the audit to be performed in accordance with auditing standards generally accepted in the United States of America; Government Auditing Standards issued by the Comptroller General of the United States; Office of Management and Budget (OMB) Bulletin 19-03, *Audit Requirements for Federal Financial Statements*; and the *Financial Audit Manual* issued jointly by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) and the Government Accountability Office.

Results of Audit

In Brown & Company's opinion, the financial statements present fairly, in all material respects, the financial position of EAC as of September 30, 2020 and 2019, and its net costs, changes in net position, budgetary resources, and custodial activities for the years then ended, in accordance with accounting principles generally accepted in the United States of America. Within the limitations on the scope of their testing of controls and compliance as described in the report, Brown & Company also reported no material weaknesses in control and no instances of noncompliance with laws, regulations, or significant provisions of contracts or grant agreements.

Evaluation of Brown & Company's Audit Performance

To fulfill our responsibilities under the CFO Act of 1990, as amended, and other related financial management requirements, the OIG:

- Reviewed Brown & Company's approach and planning of the audit;
- Evaluated the qualifications and independence of the auditors;
- Monitored the progress of the audit at key points;
- Coordinated periodic meetings with EAC management to discuss progress, findings, and recommendations;
- Reviewed Brown & Company's draft audit report;
- Performed other procedures we deemed necessary; and
- Coordinated issuance of the audit report.

Brown & Company is responsible for the attached auditor's report and the conclusions expressed in the report. Our review of the contractor's performance was not an audit of the financial statements, internal controls, or compliance, and was not sufficient to conclude on any of those subjects of the audit. Consequently, the OIG does not express any opinion on EAC's financial statements or conclusions on the effectiveness of internal control or compliance with laws, regulations, or provisions of contracts or grant agreements.

Report Distribution

The Inspector General Act of 1978, as amended, requires semiannual reporting to Congress on all reports issued, actions taken to implement recommendations, and recommendations that have not been implemented. Therefore, we will report the issuance of this audit report in our next semiannual report to Congress. The distribution of this report is not limited and copies are available for public inspection on the EAC OIG website ([EAC IG Website](#)) and on CIGIE's oversight web page ([Oversight.gov](#)).

The OIG appreciates the courtesies and cooperation EAC extended to Brown & Company and the OIG during the audit. If you, or your staff, has any questions, please contact me at (202) 853-2760.

Sincerely,



Patricia L. Layfield
Inspector General

Attachment



ELECTION ASSISTANCE COMMISSION
INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020 AND 2019

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Independent Auditor's Report on the Financial Statements

INDEPENDENT AUDITOR'S REPORT

U.S. Election Assistance Commission
Washington, D.C.

In our audits of the fiscal years 2020 and 2019 financial statements of the U.S. Election Assistance Commission (EAC), we found:

- EAC's financial statements as of and for the fiscal years ended September 30, 2020, and 2019, are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles;
- no material weaknesses in internal control over financial reporting based on the limited procedures we performed; and
- no reportable noncompliance for fiscal year 2020 with provisions of applicable laws, regulations, contracts, and grant agreements we tested.

The following sections discuss in more detail (1) our report on the financial statements, which includes required supplementary information (RSI) and other information included with the financial statements; (2) our report on internal control over financial reporting; and (3) our report on compliance with laws, regulations, contracts, and grant agreements.

Report on the Financial Statements

In accordance with the provisions of Accountability of Tax Dollars Act of 2002 (ATDA) (Pub. L. No. 107-289), we have audited EAC's financial statements. EAC's financial statements comprise the balance sheets as of September 30, 2020, and 2019; the related statements of net cost, changes in net position, and budgetary resources for the fiscal years then ended; and the related notes to the financial statements.

We conducted our audits in accordance with U.S. generally accepted government auditing standards. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinions.

Management's Responsibility

EAC's management is responsible for (1) the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; (2) preparing, measuring, and presenting the RSI in accordance with U.S. generally accepted accounting principles; (3) preparing and presenting other information included in documents containing the audited financial statements and auditor's report, and ensuring the consistency of that information with the audited financial statements and the RSI; and (4) maintaining effective internal control over financial reporting, including the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. U.S. generally accepted government auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. We are also responsible for applying certain limited procedures to RSI and other information included with the financial statements.

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

Opinion on Financial Statements

In our opinion, EAC's financial statements present fairly, in all material respects, EAC's financial position as of September 30, 2020, and 2019, and its net cost of operations, changes in net position, and budgetary resources for the fiscal years then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles issued by the Federal Accounting Standards Advisory Board (FASAB) require that the RSI be presented to supplement the financial statements. Although the RSI is not a part of the financial statements, FASAB considers this information to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with U.S. generally accepted government auditing standards, which consisted of inquiries of management about the methods of preparing the RSI and comparing the information for consistency with management's responses to the auditor's inquiries, the financial statements, and other knowledge we obtained during the audit of the financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

Other Information

EAC's other information contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. We read the other information included with the financial statements in order to identify material inconsistencies, if any, with the audited financial statements. Our audit was conducted for the purpose of forming an opinion on EAC's financial statements. We did not audit and do not express an opinion or provide any assurance on the other information.

Report on Internal Control over Financial Reporting

In connection with our audits of EAC's financial statements, we considered EAC's internal control over financial reporting, consistent with our auditor's responsibility discussed below. We performed our procedures related to EAC's internal control over financial reporting in accordance with U.S. generally accepted government auditing standards.

Management's Responsibility

EAC's management is responsible for maintaining effective internal control over financial reporting, including the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

In planning and performing our audit of EAC's financial statements as of and for the year ended September 30, 2020, in accordance with U.S. generally accepted government auditing standards, we considered the EAC's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of EAC's internal control over financial reporting. Accordingly, we do not express an opinion on EAC's internal control over financial reporting. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations.

Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, the objectives of which are to provide reasonable assurance that (1) transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and (2) transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error.

Results of Our Consideration of Internal Control over Financial Reporting

Our consideration of internal control was for the limited purpose described above, and was not designed to identify all deficiencies in internal control that might be material weaknesses and significant deficiencies or to express an opinion on the effectiveness of EAC's internal control over financial reporting. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Intended Purpose of Report on Internal Control over Financial Reporting

The purpose of this report is solely to describe the scope of our consideration of EAC's internal control over financial reporting and the results of our procedures, and not to provide an opinion on the effectiveness of the EAC's internal control over financial reporting. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering internal control over financial reporting. Accordingly, this report on internal control over financial reporting is not suitable for any other purpose.

Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

In connection with our audits of EAC's financial statements, we tested compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements consistent with our auditor's responsibility discussed below. We caution that noncompliance may occur and not be detected by these tests. We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards.

Management's Responsibility

EAC's management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to EAC.

Auditor's Responsibility

Our responsibility is to test compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements applicable to EAC that have a direct effect on the determination of material amounts and disclosures in EAC's financial statements, and perform certain other limited procedures. Accordingly, we did not test compliance with all laws, regulations, contracts, and grant agreements applicable to EAC.

Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance for fiscal year 2020 that would be reportable under U.S. generally accepted government auditing standards. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to EAC. Accordingly, we do not express such an opinion.

Intended Purpose of Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

The purpose of this report is solely to describe the scope of our testing of compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit

performed in accordance with U.S. generally accepted government auditing standards in considering compliance. Accordingly, this report on compliance with laws, regulations, contracts, and grant agreements is not suitable for any other purpose.

Brown & Company
Greenbelt, Maryland
November 13, 2020

**ELECTION ASSISTANCE COMMISSION
BALANCE SHEET
AS OF SEPTEMBER 30, 2020 AND 2019
(In Dollars)**

	2020	2019
Assets:		
Intragovernmental		
Fund Balance With Treasury (Note 2)	\$ 14,405,640	\$ 9,241,889
Accounts Receivable (Note 3)	-	6,400
Other (Note 5)	541,032	614,764
Total Intragovernmental	14,946,672	9,863,053
Accounts Receivable, Net (Note 3)	6,292	33,460
General Property, Plant, and Equipment, Net (Note 4)	194,953	249,426
Total Assets	\$ 15,147,917	\$ 10,145,939
Liabilities:		
Intragovernmental		
Accounts Payable	\$ 98,480	\$ 25,370
Other (Note 7)	85,518	43,447
Total Intragovernmental	183,998	68,817
Accounts Payable	2,069,959	235,545
Other (Note 7)	591,601	341,509
Total Liabilities	\$ 2,845,558	\$ 645,871
Net Position:		
Unexpended Appropriations - All Other Funds	\$ 12,373,070	\$ 9,411,674
Cumulative Results of Operations - All Other Funds	(70,711)	88,394
Total Net Position	\$ 12,302,359	\$ 9,500,068
Total Liabilities and Net Position	\$ 15,147,917	\$ 10,145,939

The accompanying notes are an integral part of these financial statements.

ELECTION ASSISTANCE COMMISSION
STATEMENT OF NET COST
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019
(In Dollars)

	2020	2019
Gross Program Costs (Note 9):		
Program <i>A</i> :		
Gross Costs	\$ 2,255,082	\$ 1,081,987
Less: Earned Revenue	-	(770)
Net Program Costs	\$ 2,255,082	\$ 1,081,217
Program <i>B</i> :		
Gross Costs	\$ 43,070,207	\$ 876,900
Less: Earned Revenue	-	(624)
Net Program Costs	\$ 43,070,207	\$ 876,276
Program <i>C</i> :		
Gross Costs	\$ 659,606,714	\$ 2,416,573
Less: Earned Revenue	-	(1,719)
Net Program Costs	\$ 659,606,714	\$ 2,414,854
Program <i>D</i> :		
Gross Costs	\$ 129,065,718	\$ 4,621,269
Less: Earned Revenue	-	(3,287)
Net Program Costs	\$ 129,065,718	\$ 4,617,982
Net Cost of Operations	\$ 833,997,721	\$ 8,990,329

The accompanying notes are an integral part of these financial statements.

ELECTION ASSISTANCE COMMISSION
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019
(In Dollars)

	2020 Consolidated Total	2019 Consolidated Total
Unexpended Appropriations:		
Beginning Balances	\$ 9,411,674	\$ 12,124,765
Adjustments		
Beginning Balances, as Adjusted	9,411,674	12,124,765
Budgetary Financing Sources:		
Appropriations Received	840,171,000	9,200,000
Appropriations Transferred In/Out	(1,500,000)	(1,250,000)
Other Adjustments	(2,086,994)	(1,833,388)
Appropriations Used	(833,622,610)	(8,829,703)
Total Budgetary Financing Sources	2,961,396	(2,713,091)
Total Unexpended Appropriations	\$ 12,373,070	\$ 9,411,674
Cumulative Results of Operations:		
Beginning Balances	\$ 88,394	\$ 40,009
Adjustments		
Beginning Balances, as Adjusted	\$ 88,394	\$ 40,009
Budgetary Financing Sources:		
Appropriations Used	833,622,610	8,829,703
Other Financing Sources (Non-Exchange):		
Imputed Financing (Note 10)	216,006	209,011
Total Financing Sources	833,838,616	9,038,714
Net Cost of Operations	(833,997,721)	(8,990,329)
Net Change	(159,105)	48,385
Cumulative Results of Operations	\$ (70,711)	\$ 88,394
Net Position	\$ 12,302,359	\$ 9,500,068

The accompanying notes are an integral part of these financial statements.

ELECTION ASSISTANCE COMMISSION
STATEMENT OF BUDGETARY RESOURCES
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019
(In Dollars)

	2020	2019
Budgetary Resources:		
Unobligated balance from prior year budget authority, net (discretionary and mandatory)	\$ 4,946,179	\$ 6,570,730
Appropriations	838,671,000	7,950,000
Spending authority from offsetting collections	-	6,400
Total Budgetary Resources	\$ 843,617,179	\$ 14,527,130
Status of Budgetary Resources:		
New obligations and upward adjustments (total)	\$ 837,750,200	\$ 7,824,216
Unobligated balance, end of year:		
Apportioned, unexpired account	1,224,374	1,563,271
Unapportioned, unexpired accounts	2,927,110	1,596,066
Unexpired unobligated balance, end of year	4,151,484	3,159,337
Expired unobligated balance, end of year	1,715,495	3,543,577
Unobligated balance, end of year (total)	5,866,979	6,702,914
Total Budgetary Resources	\$ 843,617,179	\$ 14,527,130
Outlays, Net and Disbursements, Net:		
Outlays, net (total)	\$ 831,420,254	\$ 8,756,875
Distributed Offsetting Receipts	-	-
Agency outlays, net	\$ 831,420,254	\$ 8,756,875

The accompanying notes are an integral part of these financial statements.



Election Assistance Commission NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

U.S. Election Assistance Commission (EAC) is an independent, bipartisan commission charged with developing guidance to meet the Help America Vote Act (HAVA) requirements, adopting voluntary voting system guidelines, and serving as a national clearinghouse of information about election administration. EAC also accredits testing laboratories and certifies voting systems, as well as audits the use of HAVA funds.

Other responsibilities include distributing and monitoring HAVA funds provided to States and other grantees; and maintaining the national mail voter registration form developed in accordance with the National Voter Registration Act of 1993.

HAVA established the Standards Board and the Board of Advisors to advise EAC. The law also established the Technical Guidelines Development Committee to assist EAC in the development of voluntary voting system guidelines.

The four EAC commissioners are appointed by the president and confirmed by the United States Senate. EAC currently has four commissioners. EAC is required to submit an annual report to Congress as well as testify periodically about HAVA progress and related issues. The commission also holds public meetings and hearings to inform the public about its progress and activities. The EAC reporting entity is comprised of General Funds and General Miscellaneous Receipts.

General Funds are accounts used to record financial transactions arising under congressional appropriations or other authorizations to spend general revenues. EAC manages Operations and Facilities, Engineering and Development General Fund accounts.

General Fund Miscellaneous Receipts are accounts established for receipts of non-recurring activity, such as fines, penalties, fees and other miscellaneous receipts for services and benefits.

EAC has rights and ownership of all assets reported in these financial statements. The reporting entity is a component of the U.S. Government. For this reason, some of the assets and liabilities reported by the entity may be eliminated for Government-wide reporting because they are offset by assets and liabilities of another U.S. Government entity. These financial statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity. EAC does not possess any non-entity assets.

B. Basis of Presentation

The financial statements have been prepared to report the financial position and results of operations of EAC. The Balance Sheet presents the financial position of the agency. The Statement

of Net Cost presents the agency's operating results; the Statement of Changes in Net Position displays the changes in the agency's equity accounts. The Statement of Budgetary Resources presents the sources, status, and uses of the agency's resources and follows the rules for the Budget of the United States Government.

The statements are a requirement of the Chief Financial Officers Act of 1990, the Government Management Reform Act of 1994 and the Accountability of Tax Dollars Act of 2002. They have been prepared from, and are fully supported by, the books and records of EAC in accordance with the hierarchy of accounting principles generally accepted in the United States of America, standards issued by the Federal Accounting Standards Advisory Board (FASAB), Office of Management and Budget (OMB) Circular A-136, *Financial Reporting Requirements*, as amended, and EAC accounting policies which are summarized in this note. These statements, with the exception of the Statement of Budgetary Resources, are different from financial management reports, which are also prepared pursuant to OMB directives that are used to monitor and control EAC's use of budgetary resources. The financial statements and associated notes are presented on a comparative basis. Unless specified otherwise, all amounts are presented in dollars.

C. Basis of Accounting

Transactions are recorded on both an accrual accounting basis and a budgetary basis. Under the accrual method, 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 requirements on the use of federal funds.

D. Fund Balance with Treasury

FBWT is an asset of a reporting entity and a liability of the General Fund. It is the aggregate amount of the EAC's funds with Treasury in expenditure accounts. Appropriated funds recorded in expenditure accounts are available to pay current liabilities and finance authorized purchases.

The EAC does not maintain bank accounts of its own, has no disbursing authority, and does not maintain cash held outside of Treasury. When the reporting entity seeks to use FBWT to liquidate budgetary obligations, Treasury will finance the disbursements in the same way it finances all other disbursements, which is to borrow from the public if there is a budget deficit (and to use current receipts if there is a budget surplus). Funds are disbursed for the agency on demand.

E. Accounts Receivable

Accounts receivable consists of amounts owed to EAC by other federal agencies and the general public. Amounts due from federal agencies are considered fully collectible. Accounts receivable from the public include reimbursements from employees. An allowance for uncollectible accounts receivable from the public is established when, based upon a review of outstanding accounts and the failure of all collection efforts, management determines that collection is unlikely to occur considering the debtor's ability to pay.

F. Property, Equipment, and Software

Property, equipment and software represent furniture, fixtures, equipment, and information technology hardware and software which are recorded at original acquisition cost and are depreciated or amortized using the straight-line method over their estimated useful lives. Major alterations and renovations are capitalized, while maintenance and repair costs are expensed as incurred. EAC's capitalization threshold is \$10,000 for individual purchases and \$100,000 for bulk purchases. For leasehold improvements and software, the capitalization threshold is \$25,000.

Property, equipment, and software acquisitions that do not meet the capitalization criteria are expensed upon receipt. Applicable standard governmental guidelines regulate the disposal and convertibility of agency property, equipment, and software. The useful life classifications for capitalized assets are as follows:

<u>Description</u>	<u>Useful Life (years)</u>
Leasehold Improvements	4-7
Office Furniture	5
Computer Equipment	5
Office Equipment	5
Software	5

G. Advances and Prepaid Charges

Advance payments are generally prohibited by law. There are some exceptions, such as reimbursable agreements, subscriptions and payments to contractors and employees. Payments made in advance of the receipt of goods and services are recorded as advances or prepaid charges at the time of prepayment and recognized as expenses when the related goods and services are received.

H. Liabilities

Liabilities represent the amount of funds likely to be paid by the EAC as a result of transactions or events that have already occurred.

EAC reports its liabilities under two categories, Intragovernmental and With the Public. Intragovernmental liabilities represent funds owed to another government agency. Liabilities with the Public represent funds owed to any entity or person that is not a federal agency, including private sector firms and federal employees. Each of these categories may include liabilities that are covered by budgetary resources and liabilities not covered by budgetary resources.

Liabilities covered by budgetary resources are liabilities funded by a current appropriation or other funding source. These consist of accounts payable and accrued payroll and benefits. Accounts payable represent amounts owed to another entity for goods ordered and received and for services rendered except for employees. Accrued payroll and benefits represent payroll costs earned by employees during the fiscal year which are not paid until the next fiscal year.

Liabilities not covered by budgetary resources are liabilities that are not funded by any current appropriation or other funding source. These liabilities consist of accrued annual leave.

I. Annual, Sick, and Other Leave

Annual leave is accrued as it is earned, and the accrual is reduced as leave is taken. The balance in the accrued leave account is adjusted to reflect current pay rates. Liabilities associated with other types of vested leave, including compensatory, restored leave, and sick leave in certain circumstances, are accrued at year-end, based on latest pay rates and unused hours of leave. Funding will be obtained from future financing sources to the extent that current or prior year appropriations are not available to fund annual and other types of vested leave earned but not taken. Nonvested leave is expensed when used. Any liability for sick leave that is accrued but not taken by a Civil Service Retirement System (CSRS)-covered employee is transferred to the Office of Personnel Management (OPM) upon the retirement of that individual. Credit is given for sick leave

balances in the computation of annuities upon the retirement of Federal Employees Retirement System (FERS)-covered employees.

J. Accrued and Actuarial Workers' Compensation

The Federal Employees' Compensation Act (FECA) administered by the U.S. Department of Labor (DOL) addresses all claims brought by the EAC employees for on-the-job injuries. The DOL bills each agency annually as its claims are paid, but payment of these bills is deferred for two years to allow for funding through the budget process. Similarly, employees that the EAC terminates without cause may receive unemployment compensation benefits under the unemployment insurance program also administered by the DOL, which bills each agency quarterly for paid claims. Future appropriations will be used for the reimbursement to DOL.

K. Retirement Plans

EAC employees participate in either the CSRS or the FERS. The employees who participate in CSRS are beneficiaries of EAC matching contribution, equal to seven percent of pay, distributed to their annuity account in the Civil Service Retirement and Disability Fund.

Prior to December 31, 1983, all employees were covered under the CSRS program. From January 1, 1984 through December 31, 1986, employees had the option of remaining under CSRS or joining FERS and Social Security. Employees hired as of January 1, 1987 are automatically covered by the FERS program. Both CSRS and FERS employees may participate in the federal Thrift Savings Plan (TSP). FERS employees receive an automatic agency contribution equal to one percent of pay and EAC matches any employee contribution up to an additional four percent of pay. For FERS participants, EAC also contributes the employer's matching share of Social Security.

FERS employees and certain CSRS reinstatement employees are eligible to participate in the Social Security program after retirement. In these instances, EAC remits the employer's share of the required contribution.

EAC recognizes the imputed cost of pension and other retirement benefits during the employees' active years of service. OPM actuaries determine pension cost factors by calculating the value of pension benefits expected to be paid in the future and communicate these factors to EAC for current period expense reporting. OPM also provides information regarding the full cost of health and life insurance benefits. EAC recognized the offsetting revenue as imputed financing sources to the extent these expenses will be paid by OPM.

EAC does not report on its financial statements information pertaining to the retirement plans covering its employees. Reporting amounts such as plan assets, accumulated plan benefits, and related unfunded liabilities, if any, is the responsibility of the OPM, as the administrator.

L. Other Post-Employment Benefits

EAC employees eligible to participate in the Federal Employees' Health Benefits Plan (FEHBP) and the Federal Employees' Group Life Insurance Program (FEGLIP) may continue to participate in these programs after their retirement. The OPM has provided the EAC with certain cost factors that estimate the true cost of providing the post-retirement benefit to current employees. The EAC recognizes a current cost for these and Other Retirement Benefits (ORB) at the time the employee's services are rendered. The ORB expense is financed by OPM, and offset by the EAC through the recognition of an imputed financing source.

M. Use of Estimates

The preparation of the accompanying financial statements in accordance with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from those estimates.

N. Imputed Costs/Financing Sources

Federal Government entities often receive goods and services from other Federal Government entities without reimbursing the providing entity for all the related costs. In addition, Federal Government entities also incur costs that are paid in total or in part by other entities. An imputed financing source is recognized by the receiving entity for costs that are paid by other entities. EAC recognized imputed costs and financing sources in fiscal years 2020 and 2019 to the extent directed by accounting standards.

O. Grants

The EAC administers and oversees the grant making process in connection with federal Requirement Payments and grants made to recipient organizations and the HAVA. As Requirement Payments and grants are awarded, they are recorded as obligations and represent uses of budgetary resources.

Payments made under the grant awards for expenditures already incurred by the recipients are fully expended and are included in the statement of net costs. Grant awards made to grantees in advance of expenditures are recorded as advances and are included in the balance sheet.

P. Classified Activities

Accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

NOTE 2. FUND BALANCE WITH TREASURY

Fund balance with Treasury account balances as of September 30, 2020 and 2019, were as follows:

	2020	2019
Status of Fund Balance with Treasury:		
Unobligated Balance		
Available	\$ 1,224,374	\$ 1,563,270
Unavailable	4,642,605	5,139,643
Obligated Balance Not Yet Disbursed	8,538,661	2,538,976
Total	\$ 14,405,640	\$ 9,241,889

No discrepancies exist between the Fund Balance reflected on the Balance Sheet and the balances in the Treasury accounts.

The available unobligated fund balances represent the current-period amount available for obligation or commitment. At the start of the next fiscal year, this amount will become part of the unavailable balance as described in the following paragraph.

The unavailable unobligated fund balances represent the amount of appropriations for which the period of availability for obligation has expired. These balances are available for upward adjustments of obligations incurred only during the period for which the appropriation was available for obligation or for paying claims attributable to the appropriations.

The obligated balance not yet disbursed includes accounts payable, accrued expenses, and undelivered orders that have reduced unexpended appropriations but have not yet decreased the fund balance on hand (see also Note 12).

NOTE 3. ACCOUNTS RECEIVABLE, NET

Accounts receivable balances as of September 30, 2020 and 2019, were as follows:

	2020	2019
Intragovernmental		
Accounts Receivable	\$ -	\$ 6,400
Total Intragovernmental Accounts Receivable	\$ -	\$ 6,400
With the Public		
Accounts Receivable	\$ 6,292	\$ 33,460
Total Public Accounts Receivable	\$ 6,292	\$ 33,460
Total Accounts Receivable	\$ 6,292	\$ 39,860

The accounts receivable is primarily made up of moneys due from funds that had been advanced for services that were not used and employee receivables.

Historical experience has indicated that the majority of the receivables are collectible. There are no material uncollectible accounts as of September 30, 2020 and 2019.

NOTE 4. GENERAL PROPERTY, PLANT AND EQUIPMENT, NET

Schedule of General Property, Plant and Equipment, Net as of September 30, 2020

Major Class	Acquisition Cost	Accumulated Amortization/Depreciation	Net Book Value
Leasehold Improvements	\$ 1,205,830	\$ 1,205,830	\$ -
Furniture & Equipment	1,149,097	1,034,035	115,062
Software	172,721	172,721	-
Software-in-Development	79,891	N/A	79,891
Total	\$ 2,607,539	\$ 2,412,586	\$ 194,953

Schedule of General Property, Plant and Equipment, Net as of September 30, 2019

Major Class	Acquisition Cost	Accumulated Amortization/Depreciation	Net Book Value
Leasehold Improvements	\$ 1,205,830	\$ 1,205,830	\$ -
Furniture & Equipment	1,149,097	979,561	169,536
Software	172,721	172,721	-
Software-in-Development	79,890	N/A	79,890
Total	\$ 2,607,538	\$ 2,358,112	\$ 249,426

NOTE 5. OTHER ASSETS

Advances and Prepayments balances as of September 30, 2020 and 2019, were as follows:

	2020	2019
Intragovernmental		
Advances and Prepayments	\$ 541,032	\$ 614,764
Total Intragovernmental Other Assets	\$ 541,032	\$ 614,764
With the Public		
Grant Advances	\$ -	\$ -
Total Other Assets	\$ 541,032	\$ 614,764

NOTE 6. LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

The liabilities for EAC as of September 30, 2020 and 2019, include liabilities not covered by budgetary resources. Congressional action is needed before budgetary resources can be provided. Although future appropriations to fund these liabilities are likely and anticipated, it is not certain that appropriations will be enacted to fund these liabilities.

	2020	2019
Intragovernmental – Unemployment Insurance	\$ 5,300	\$ -
Unfunded Leave	266,657	194,492
Total Liabilities Not Covered by Budgetary Resources	\$ 271,957	\$ 194,492
Total Liabilities Covered by Budgetary Resources	2,573,601	451,379
Total Liabilities	\$ 2,845,558	\$ 645,871

FECA and the Unemployment Insurance liabilities represent the unfunded liability for actual workers compensation claims and unemployment benefits paid on EAC’s behalf and payable to the DOL.

Unfunded leave represents a liability for earned leave and is reduced when leave is taken. The balance in the accrued annual leave account is reviewed quarterly and adjusted as needed to accurately reflect the liability at current pay rates and leave balances. Accrued annual leave is paid from future funding sources and, accordingly, is reflected as a liability not covered by budgetary resources. Sick and other leave is expensed as taken.

NOTE 7. OTHER LIABILITIES

Other liabilities account balances as of September 30, 2020 were as follows:

	Current	Non Current	Total
Intragovernmental			
FECA Liability	\$ 6,450	\$ -	\$ 6,450
Unemployment Insurance Liability	5,300	-	5,300
Payroll Taxes Payable	73,768	-	73,768
Total Intragovernmental Other Liabilities	\$ 85,518	\$ -	\$ 85,518
With the Public			
Payroll Taxes Payable	\$ 11,072	\$ -	\$ 11,072
Accrued Funded Payroll and Leave	243,483	-	243,483
Unfunded Leave	266,657	-	266,657
Other Liabilities	70,389	-	70,389
Total Public Other Liabilities	\$ 591,601	\$ -	\$ 591,601

Other liabilities account balances as of September 30, 2019 were as follows:

	Current	Non Current	Total
Intragovernmental			
FECA Liability	\$ 6,450	\$ -	\$ 6,450
Payroll Taxes Payable	36,997	-	36,997
Total Intragovernmental Other Liabilities	\$ 43,447	\$ -	\$ 43,447
With the Public			
Payroll Taxes Payable	\$ 7,646	\$ -	\$ 7,646
Accrued Funded Payroll and Leave	139,371	-	139,371
Unfunded Leave	194,492	-	194,492
Total Public Other Liabilities	\$ 341,509	\$ -	\$ 341,509

NOTE 8. LEASES

Operating Leases

EAC has no capital leases. EAC relocated from its headquarters office located at 1201 New York Avenue NW, Suite 300, Washington, DC, on November 1, 2013. EAC also ended the lease for additional space at 1225 New York Avenue NW, Washington, DC, at the same time. EAC entered into a new lease for its headquarters office located at 1335 East-West Highway, Silver Spring, MD, which expires on or around November 1, 2018.

In November 2013, the EAC signed a five year lease. Under the agreement, the last full year of the lease started Oct 1, 2017 to September 30, 2018. Also, the agreement included one month, Oct 1, 2018 to October 31, 2018. The new 10 year lease begins on November 1st. The first year of the new lease is from November 1, 2018 to September 30, 2019.

The EAC is planning to relocate its current headquarters to 633 3rd St. NW. Washington, D.C in Fall 2020. The new lease is for 10 years and will end September 2029. The amount of the first year is estimated to be \$440,425.

Scheduled of Future Lease Payments:

Fiscal Year	Asset Category			Totals	
	Office Space	Equipment	ADP Equipment	Federal	Non-Federal
2021	\$ 440,425	\$ -	\$ -	\$ 440,425	\$ -
2022	628,969	-	-	628,969	-
2023	633,206	-	-	633,206	-
2024	637,542	-	-	637,542	-
2025	641,978	-	-	641,978	-
Thereafter	-	-	-	-	-
Total Future Payments	\$ 2,982,119	\$ -	\$ -	\$ 2,982,119	\$ -

The operating lease amount does not include estimated payments for leases with annual renewal options.

NOTE 9. INTRA-GOVERNMENTAL COSTS AND EXCHANGE REVENUE

Intra-governmental costs and revenue represent exchange transactions between EAC and other federal government entities, and are in contrast to those with non-federal entities (the public). Such costs and revenue are summarized as follows:

	2020		2019	
Analyze			Communications and Clearinghouse	
Intragovernmental Costs	\$	9,776	Intragovernmental Costs	\$ 268,709
Public Costs		2,245,306	Public Costs	813,278
Less: Earned Revenue		-		(770)
Total Costs		2,255,082		1,081,217
Build			Testing and Certifications	
Intragovernmental Costs	\$	186,708	Intragovernmental Costs	\$ 217,775
Public Costs		42,883,499	Public Costs	659,125
Less: Earned Revenue		-		(624)
Total Costs		43,070,207		876,276
Distribute			Research, Policy, and Programs	
Intragovernmental Costs	\$	2,859,374	Intragovernmental Costs	\$ 600,148
Public Costs		656,747,340	Public Costs	1,816,425
Less: Earned Revenue		-		(1,719)
Total Costs		659,606,714		2,414,854
Operate			Fund and Oversee	
Intragovernmental Costs	\$	559,496	Intragovernmental Costs	\$ 1,147,677
Public Costs		128,506,222	Public Costs	3,473,592
Less: Earned Revenue		-		(3,287)
Total Costs		129,065,718		4,617,982
Total Intragovernmental costs		3,615,354	Total Intragovernmental costs	2,234,309
Total Public costs		830,382,367	Total Public costs	6,762,420
Total Costs		833,997,721		8,996,729
Less: Earned Revenue		-		(6,400)
Total Net Cost	\$	833,997,721	\$	8,990,329

NOTE 10. INTER-ENTITY COSTS

EAC recognizes certain inter-entity costs for goods and services that are received from other federal entities at no cost or at a cost less than the full cost. Certain costs of the providing entity that are not fully reimbursed are recognized as imputed cost and are offset by imputed revenue. Such imputed costs and revenues relate to employee benefits and claims to be settled by the Treasury Judgement Fund. EAC recognizes as inter-entity costs the amount of accrued pension and post-retirement benefit expenses for current employees. The assets and liabilities associated with such benefits are the responsibility of the administering agency, OPM. For the periods ended September 30, 2020 and 2019, respectively, inter-entity costs were as follows:

	2020		2019	
Office of Personnel Management	\$	216,006	\$	209,011
Total Imputed Financing Sources	\$	216,006	\$	209,011

NOTE 11. NET ADJUSTMENTS TO UNOBLIGATED BALANCE, BROUGHT FORWARD, OCTOBER 1

The Unobligated Balance Brought Forward from the prior fiscal year has been adjusted for recoveries of prior year paid and unpaid obligations and other changes such as canceled authority. The Adjustments to Unobligated Balance Brought Forward, October 1, as of September 30, 2020, and 2019, consisted of the following:

	2020	2019
Unobligated Balance Brought Forward From Prior Year, October 1	\$ 6,702,913	\$ 8,264,523
Recoveries of Prior Year Obligations	330,260	139,595
Other Changes in Unobligated Balances	(2,086,994)	(1,833,388)
Unobligated Balance From Prior Year Budget Authority, Net (Discretionary and Mandatory)	\$ 4,946,179	\$ 6,570,730

NOTE 12. UNDELIVERED ORDERS AT THE END OF THE PERIOD

As of September 30, 2020, budgetary resources obligated for undelivered orders were as follows:

	Federal	Non-Federal	Total
Paid Undelivered Orders	\$ 541,032	\$ -	\$ 541,032
Unpaid Undelivered Orders	1,592,014	4,373,045	5,965,059
Total Undelivered Orders	\$ 2,133,046	\$ 4,373,045	\$ 6,506,091

As of September 30, 2019, budgetary resources obligated for undelivered orders were as follows:

	Federal	Non-Federal	Total
Paid Undelivered Orders	\$ 614,763	\$ -	\$ 614,763
Unpaid Undelivered Orders	126,163	1,967,835	2,093,998
Total Undelivered Orders	\$ 740,926	\$ 1,967,835	\$ 2,708,761

NOTE 13. EXPLANATION OF DIFFERENCES BETWEEN THE SBR AND THE BUDGET OF THE U.S. GOVERNMENT

The President's Budget that will include fiscal year 2020 actual budgetary execution information has not yet been published. The President's Budget is scheduled for publication in February 2021 and can be found at the OMB Web site: <http://www.whitehouse.gov/omb/>. The 2021 Budget of the United States Government, with the "Actual" column completed for 2019, has been reconciled to the Statement of Budgetary Resources and there were no material differences.

In Millions

	Budgetary Resources	New Obligations & Upward Adjustments	Distributed Offsetting Receipts	Net Outlays
Combined Statement of Budgetary Resources	\$ 15	\$ 8	\$ -	\$ 9
Spending Authority from Offsetting Collections	-	-	-	-
Unobligated Balance Not Available	(4)	-	-	-
Difference - Due to Rounding	-	-	-	(1)
Budget of the U.S. Government	\$ 11	\$ 8	\$ -	\$ 8

NOTE 14. CUSTODIAL ACTIVITY

EAC's custodial collection primarily consists of Freedom of Information Act requests. While these collections are considered custodial, they are neither primary to the mission of EAC nor material to the overall financial statements. EAC's total custodial collections are \$0 and \$25 for the years ended September 30, 2020, and 2019, respectively.

NOTE 15. RECONCILIATION OF NET COST TO NET OUTLAYS

The reconciliation of net outlays, presented on a budgetary basis, and the net cost, presented on an accrual basis, provides an explanation of the relationship between budgetary and financial accounting information.

Reconciliation of Net Cost to Net Outlays as of September 30, 2020:

**BUDGET AND ACCRUAL RECONCILIATION
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(In Dollars)**

	Intragovernmental	With the Public	Total
Net Operating Cost (SNC)	\$ 3,615,354	\$ 830,382,367	\$ 833,997,721
Components of Net Operating Cost Not Part of the Budgetary Outlays			
Property, plant, and equipment depreciation	-	(54,473)	(54,473)
(Increase)/Decrease in assets not affecting Budget Outlays:			
Accounts receivable	(6,400)	(27,168)	(33,568)
Other assets	(73,731)	-	(73,731)
(Increase)/Decrease in liabilities not affecting Budget Outlays:			
Accounts payable	(73,110)	(1,834,414)	(1,907,524)
Salaries and benefits	(36,772)	(107,539)	(144,311)
Other liabilities	(5,300)	(142,554)	(147,854)
Other financing sources:			
Imputed federal employee retirement benefit costs	(216,006)	-	(216,006)
Total Components of Net Operating Cost Not Part of the Budget Outlays	\$ (411,319)	\$ (2,166,148)	\$ (2,577,467)
Net Outlays (Calculated Total)	\$ 3,204,035	\$ 828,216,219	\$ 831,420,254
Related Amounts on the Statement of Budgetary Resources			
Outlays, net, (total) (SBR 4190)			\$ 831,420,254
Distributed offsetting receipts (SBR 4200)			-
Agency Outlays, Net (SBR 4210)			\$ 831,420,254

Reconciliation of Net Cost to Net Outlays as of September 30, 2019:

**BUDGET AND ACCRUAL RECONCILIATION
FOR THE YEAR ENDED SEPTEMBER 30, 2019
(In Dollars)**

	Intragovernmental	With the Public	Total
Net Operating Cost (SNC)	\$ 2,464,722	\$ 6,525,607	\$ 8,990,329
Components of Net Operating Cost Not Part of the Budgetary Outlays			
Property, plant, and equipment depreciation	-	(57,263)	(57,263)
(Increase)/Decrease in assets not affecting Budget Outlays:			
Accounts receivable	6,400	32,101	38,501
Other assets	(38,161)	-	(38,161)
(Increase)/Decrease in liabilities not affecting Budget Outlays:			
Accruals	4,649	(11,469)	(6,820)
Salaries and benefits	(8,641)	(25,605)	(34,246)
Other liabilities	-	73,546	73,546
Other financing sources:			
Imputed federal employee retirement benefit costs	(209,011)	-	(209,011)
Total Components of Net Operating Cost Not Part of the Budget Outlays	\$ (244,764)	\$ 11,310	\$ (233,454)
Net Outlays (Calculated Total)	\$ 2,219,958	\$ 6,536,917	\$ 8,756,875
Related Amounts on the Statement of Budgetary Resources			
Outlays, net, (total) (SBR 4190)			\$ 8,756,875
Distributed offsetting receipts (SBR 4200)			-
Agency Outlays, Net (SBR 4210)			\$ 8,756,875

Notes to the Financial Statement

NOTE 16. REQUIREMENT PAYMENTS AND GRANT PROGRAMS

The largest of the EAC grant programs is the Help American Vote Act (HAVA) Section 251 Requirements Payments to the states to help them meet the Title III requirements of HAVA. CARES Act grant was appropriated in Emergency Appropriations for Coronavirus Health Response and Agency Operations. EAC's discretionary grants have been completed and closed.

	2020	2019
Election Security Grants	\$ 425,000,000	\$ -
CARES Act Grants	400,000,000	-
Net Cost of Operations	\$ 825,000,000	\$ -

NOTE 17. COVID-19 ACTIVITY

On March 27th, 2020 the President signed the Coronavirus Aid, Relief, and Economic Security Act (CARES) to protect the American people from the public health and economic impacts of COVID-19 pandemic. The Act provided \$400 million to the EAC, to allocate to 56 states and territories "to prevent, prepare for and respond to coronavirus, domestically or internationally for the 2020 Federal election cycle." The CARES Act provided the funds to EAC under Section 101 of HAVA. Therefore, EAC followed the requirements of Section 101 to allocate the funds to the states to address issues arising from the pandemic during the remaining primaries and the general election in November 2020. The funds could only be used for costs associated with the pandemic during this election season.

SECTION III
Other Accompanying Information



U.S. ELECTION ASSISTANCE COMMISSION
1335 EAST-WEST HIGHWAY, SUITE 4300
SILVER SPRING, MD 20910

OFFICE OF THE INSPECTOR GENERAL

Memorandum

To: Benjamin W. Hovland, Chairman
U.S. Election Assistance Commission

From: *Patricia L. Layfield*
Inspector General

Date: October 21, 2020

Subject: Top Management Challenges Facing the U.S. Election Assistance Commission
Report No. I-MC-EAC-02-21

In accordance with the Reports Consolidation Act of 2000, I am submitting our annual statement summarizing the areas which the Office of Inspector General considers to be the most serious management and performance challenges facing the U.S. Election Assistance Commission. This list is based upon our audit, inspection and evaluation work and general knowledge of the Agency's operations. We added one new challenge, which is not unique to EAC: the COVID-19 pandemic response.

We are also providing updates concerning challenges we reported last year, to include vacancies in key EAC positions, the continuing effects on EAC of the declaration of election systems as critical infrastructure, and records management. We noted the progress that EAC has made on each of these issues.

If you have any questions or need additional information, please don't hesitate to contact me.

Attachment

cc: Commissioner Donald L. Palmer, Vice Chair
Commissioner Christy A. McCormick
Commissioner Thomas Hicks
Executive Director Mona Harrington
Financial Director Paul Repak

Introduction

The Reports Consolidation Act of 2000 requires the Office of Inspector General (OIG) to report annually on what it considers to be the most serious management and performance challenges facing the U.S. Election Assistance Commission (EAC). Management challenges are derived from cross-cutting issues that arise during our regular audit, evaluation and investigative work. They are also influenced by our general knowledge of the Agency's operations and the works of other evaluative bodies such as the Government Accountability Office (GAO).

For fiscal year 2020, the OIG is updating the status of prior year challenges. The primary challenge for 2020 and beyond is one that is not unique to EAC: the COVID-19 pandemic.

Challenge 1: Pandemic Response

Like the rest of the world, EAC found itself immersed in the effects of a global pandemic with little or no advance notice during a Presidential election year at a time when a number of states had already conducted primary elections or caucuses. Due to the hard work of a number of EAC employees, especially IT Support, EAC successfully converted from primarily in-office duty locations to 100% telework for its employees virtually overnight.

On March 27, 2020, President Trump signed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) into law. The Act included \$400 million in new Help America Vote Act (HAVA) emergency funds, made available to states to prevent, prepare for, and respond to the coronavirus for the 2020 federal election cycle. This supplemental appropriation funding, distributed by the EAC, provided states with additional resources to protect the 2020 elections from the effects of the novel coronavirus. The CARES Act did not provide additional direct funding to EAC to support its efforts to meet the challenges the pandemic posed.

Using the additional funds provided in its 2020 Salaries and Expenses budget, EAC nearly doubled its size, adding significantly to its IT and cybersecurity expertise for both internal uses, and to support external needs for promoting secure and accessible elections. EAC also enhanced its communications, financial management, grants management, and program support capabilities. Using those capabilities, EAC responded to the pandemic in the following ways:

- Distributed \$400 million in CARES Act grants.
- Disseminated extensive guidance on the use of CARES Act funds, including guidance on allowable, allocable, and reasonable costs; answers to frequently asked questions; clarifications on meeting the states' CARES Act matching requirements; and other topics.
- Organized, developed, and disseminated publicly-available materials in the form of web-postings, white papers, blog posts, videos, pamphlets, etc. covering all facets of administering elections during the pandemic.
- Conducted virtual as well as in-person delivery forums, hearings, and other events.

- Provided links on its website to authoritative sources such as state websites and the Department of Homeland Security's Cybersecurity and Infrastructure Security Agency (CISA) for information about key topics in election administration such as voting in person or by mail-in/absentee ballot, election security, cybersecurity, self-assessments, procurement, election audits, and other best practices.
- Provided cybersecurity training resources.
- Provided up-to-date information to empower voters with disabilities in the 2020 General Election and the COVID-19 crisis.
- Developing and/or promoting programs such as National Poll Worker Recruitment Day to drive awareness of the critical shortage of poll workers during the pandemic and National Voter Registrations Day to educate voters about the importance of participating and keeping registrations current.

Although some of these activities were similar to clearinghouse activities the EAC normally provides and were geared toward pandemic response, other activities were entirely new.

Updates on Prior Year Challenges

FY 2019 Challenge 1: Vacancies in Key Agency Positions – Originally Issued 2019

The Help America Vote Act (HAVA) mandated the appointment of an Executive Director and a General Counsel for terms of four years each. The Commission appointed an Executive Director and General Counsel on October 22, 2015. The four year terms of the person in each of those positions ended on October 22, 2019, and the positions became vacant, effective October 23, 2019. In addition, EAC's part-time Grants/Financial Expert resigned, effective September 30, 2019. Among last year's top challenges, we viewed the challenge of leading the agency through the upcoming election year as the greatest challenge the EAC faced.

In June 2020, the Commission unanimously appointed Mona Harrington to the position of Executive Director. By unanimous consent, at the same time, the Commission appointed Kevin Rayburn as General Counsel.

In October 2019, the Commission had appointed Ms. Harrington the Acting Executive Director of EAC. She came to EAC in 2018 as the Chief Information and Security Officer. In that role, she modernized EAC's network, improved security within EAC's information technology (IT) systems and infrastructure, and modernized EAC systems. She had prior experience in various executive roles within the Federal government.

Mr. Rayburn came to EAC from his position as Deputy Elections Director and Deputy General Counsel for the Georgia Secretary of State's office. In that role, among other duties, he provided guidance to state and local election officials on election administration and law, ensured

compliance with state sunshine laws, helped reform the state's election code and regulations, and was an integral part in modernizing the state's voting equipment. He also previously served as Assistant Director and Counsel for the Tennessee Secretary of State's office.

EAC also hired a permanent, full-time Grants Manager in April 2020. Ms. Kinza Ghaznavi brought to EAC over 10 years of experience in the field of grants management. She has served in numerous roles at the Corporation for National and Community Service as a Program Officer, Grants Management Specialist, and Senior Grants Management Specialist. She holds a Master of Public Administration from the George Washington University.

As noted above under the discussion of EAC's pandemic response, EAC used the increase in its appropriation to nearly double its staff in areas that were critical to serving election administrators and voters.

FY 2019 Challenge 2: Elections Systems as Critical Infrastructure – Originally Issued 2017

Citing the vital role elections play in the country, the Department of Homeland Security (DHS) designated elections systems as critical infrastructure in January 2017. EAC possessed the subject matter expertise, the relationships with state and local elections officials, and the in-depth understanding of local election operations necessary to provide much-needed support to DHS in implementing that designation. As such, EAC has played a key role in helping DHS understand the elections sub-sector. The agency has also used its communication channels with state and local elections officials to educate officials and the public on critical infrastructure concepts, roles, responsibilities and DHS' capabilities to apply cybersecurity intelligence to hardening the nation's elections systems against intrusion, disruption, and loss. As the nation's clearinghouse for election administration information, EAC has taken on the challenge of supporting DHS and state and local elections administrators as a crucial partner in securing the election infrastructure. EAC struggled to balance that additional role with its existing mission functions despite limited human and financial resources that had steadily decreased over a nine-year period due to decreases in appropriations.

In 2019, we reported that EAC's salaries and expenses appropriation had not grown in a manner that reflected the mission-related duties the Agency assumed upon the designation of elections systems as critical infrastructure. For fiscal year 2020, EAC received an additional \$3.3 million in its regular fiscal year appropriation, presumably to help fund the new roles and responsibilities brought on by the designation of election systems as critical infrastructure. As noted under 2020 Challenge #1 above, EAC was able to capitalize on the additional funding to bolster its staffing and provide assistance to states and voters in administering and participating in a General Election during a pandemic; however, the agency received no additional funding specifically designated for meeting the extra needs caused by the pandemic response.

FY 2019 Challenge 3: Records Management – Originally Issued 2010

Maintaining complete and accurate records of the operations, policies, procedures and practices are critical to effective agency performance. Furthermore, retention of government records is mandated by federal law. Without these records, an agency cannot retain an institutional knowledge.

At the time the OIG originally raised this issue as a significant challenge, EAC did not have formal documented policies and procedures for management and retention of records. The OIG first noted the EAC's lack of a records management system in 2008, when it issued the Assessment of EAC's Program and Financial Operations. The OIG recommended that EAC complete its remaining records retention schedules, obtain approval of those schedules as needed from the National Archives and Records Administration (NARA), and train its staff on the proper retention of federal government records.

EAC's Progress

EAC has completed some records retention schedules and submitted the schedules to the National Archives and Records Administration (NARA) as needed. The EAC Office of the General Counsel (OGC) is reviewing and updating records retention schedules in accordance with law and regulations. OGC coordinates with NARA to ensure compliance and is in the early processes of structuring records management to incorporate the EAC Human Resources division in a more active role. Additionally, OGC staff attends meetings and trainings to remain informed on current issues in records management.



U.S. ELECTION ASSISTANCE COMMISSION
633 3rd St. NW, Suite 200
Washington, DC 20001

MEMORANDUM

Date: December 14, 2020

To: Patricia L. Layfield, Inspector General

From: Mona Harrington, Executive Director *Mona Harrington*

RE: Response to Inspector General's Statement Summarizing the Major Management and Performance Challenges Facing the U.S. Election Assistance Commission

The EAC concurs with the top management challenges outlined by the EAC Inspector General.

The EAC feels that the findings predominately result from the Commission remaining grossly underfunded over the last decade. Between 2010 and 2019, the EAC's budget significantly declined by nearly 50%. During that time, the agency assumed more responsibility with even fewer resources. In January 2017, the Department of Homeland Security (DHS) designated the nation's election administration infrastructure as critical infrastructure. Following this designation, the EAC played a key role in helping DHS create and co-chair the Executive Committee of the Government Coordinating Council (GCC) that would help secure and monitor the security of the nation's elections. In Fiscal Year (FY) 2018, the EAC had a one-time increase of \$500,000 in Salaries and Expenses (S&E) to support the administration of the \$380 million of new HAVA Grants that were directly disbursed to states. However, in FY 2019, the EAC received its lowest appropriation of \$7.95 million for S&E. Overall, with the added critical infrastructure responsibilities, ongoing grant oversight, a full quorum of Commissioners (the first time since 2010), a reduced staff and decreasing budget, the EAC faced many challenges heading into the 2020 Presidential Election.

In FY 2020, Congress acknowledged the limited resources and appropriated \$15,171,000 (\$11,271,000 for S&E) for the EAC, the highest level since 2011 and a 40% increase from the year before. In addition, the agency received \$425 million in election security grant funds to disburse directly to states. In late March, in response to the COVID-19 pandemic, Congress appropriated an additional \$400 million in CARES grant funding for the EAC to disburse to states "to prevent, prepare for and respond to coronavirus, domestically or internationally for the 2020 Federal election cycle." However, these funds did not include additional administrative funds the agency requested to effectively disburse and conduct oversight of the grants. The EAC was very appreciative of the FY 2020 increase but recognizes that there is

more work to do in expanding existing programs and responding to the COVID pandemic, which has increased the workload for election officials as it relates to increased mail/absentee ballots, providing safe and sanitary conditions for in-person voting and promoting voter confidence through outreach campaigns. The pandemic has highlighted subject areas that the EAC needs to enhance such as expanding the clearinghouse function, grant oversight, accessibility, maintaining and adopting an agile VVSG, and non-voting technology program. Additional funds to support existing and new programs will take the agency to the next level of providing the necessary resources that election officials and voters need. As the federal government, a trusted source of election information, the EAC doesn't currently have resources to create important tools for voters. Unfortunately, there are many non-governmental organizations that are distributing or hosting election information in numerous formats that are not always correct, leading to inadvertent misinformation. The EAC seeks to build website tools that benefit election officials and voters. Also additional funds are critical to assist the agency with all federal compliance initiatives such as Federal Information Security Modernization Act (FISMA), modern and secure IT systems, record keeping, and numerous other compliance initiatives that require expertise and resources to implement and maintain the building blocks of a federal agency.

III.B. IMPROPER PAYMENTS

The Improper Payments Act requires each federal agency to assess all programs and identify which, if any, may be subject to high risk with respect to improper payments. For Fiscal Year 2020, the EAC does not believe that it has any programs where the erroneous payments could exceed 1.5 percent of program payments or \$10.0 million threshold (set in OMB Guidance) to trigger further agency action.

III.C. SUMMARY OF FINANCIAL STATEMENT AUDIT AND MANAGEMENT ASSURANCES

SUMMARY OF FISCAL YEAR 2020 FINANCIAL STATEMENT AUDIT						
Audit Opinion		Unmodified				
Material Weaknesses		Beginning Balance	New	Resolved	Consolidated	Ending Balance
Financial Accounting & Reporting		0				0
Total Material Weaknesses		0				0
Summary of Management Assurances						
Statement of Assurance (FMFIA § 2)		Unmodified				
No.	Summary	Beginning Balance	New	Resolved	Consolidated	Ending Balance
1	Material Weaknesses (FMFIA § 2)	0				0
	Total	0				0

