



U.S. ELECTION ASSISTANCE COMMISSION

# Agency Financial Report

EAC.GOV | NOVEMBER 15, 2023



# 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) 2023 Agency Financial Report describes the commission's accomplishments, financial activity, and ongoing efforts to strengthen internal controls and financial management.

Information about EAC's programs are available at [www.EAC.gov](http://www.EAC.gov).



# Message From The Chairwoman

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.” As the only federal agency solely focused on the administration of elections, 2023 was particularly important as we assist election officials in planning for 2024.

The Help America Vote Act (HAVA) established major election reforms to the nation’s voting process and charged the EAC with the development of policies and guidelines to assist state election offices with meeting HAVA standards, the creation of the Voluntary Voting System Guidelines (VVSG), the establishment of a national voting system certification program, the administration of HAVA grants, and the maintenance of the National Mail Voter Registration form.

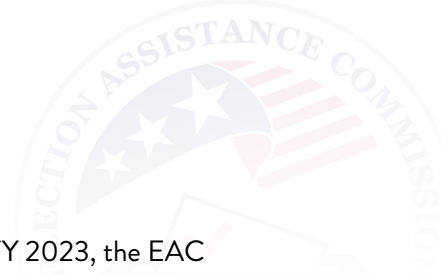
In FY 2023, the EAC continued the development of programs to advance the agency’s mission and meet strategic plan goals. The Agency Financial Report includes performance data for the agency and will provide more detailed data with the FY 2023 Congressional Budget Justification.

As Chairwoman, I would like to highlight some of the advances of the agency’s work.

The EAC’s Testing and Certification program administers and manages the only national standard-setting program to build, test, and certify voting systems. In FY 2023, the EAC successfully operationalized VVSG 2.0 and began testing the first submitted system to the Voluntary Voting System Guidelines (VVSG) 2.0. The new guidelines incorporate technological advancements in cybersecurity, accuracy, accessibility, usability, and auditability. Two voting system testing labs (VSTLs) were accredited in November 2022, setting the clock for migration to the new standards. The EAC has worked throughout the year to prepare election officials for this shift and help communicate about this step in the process to reinforce the public’s confidence in the security of our elections.

The agency also launched the Election Supporting Technology Evaluation Program (ESTEP) to evaluate the security and accessibility of election-supporting technologies such as electronic poll books, electronic ballot delivery systems, voter registration portals, and election night reporting databases. The objective of the EAC is to establish standards for these critical election-supporting technologies similar to VVSG, with the goal to enhance the security and accessibility of these systems for all users. In FY 2023, the EAC focused on electronic poll books (EPBs) as the first technology pilot for ESTEP.

HAVA also tasked the EAC with serving as a clearinghouse of best practices on election administration. Through this role, the EAC provides resources for election officials and the public on pressing issues that impact their jurisdictions. The Clearinghouse team produced numerous resources to help election officials implement best practices on communication, election official security, voter list maintenance, developing continuity of operations plans, serving uniformed and overseas voters, accessibility practices to serve voters with disabilities, audits, chain of custody, and numerous other subjects. The Clearinghouse Division also revised and published the **Election Management Guidelines** to assist state and local election officials in effectively managing and administering elections in the United States.



An important function of the EAC is the administration of federal HAVA grants. In FY 2023, the EAC dispersed and administered \$75 million in HAVA grants appropriated by Congress to assist election officials as they administer and secure elections. The EAC works diligently to advise states on the availability of funds and has an extensive track record with successful and prompt grant administration. The College Poll Worker Program was relaunched after a 13-year hiatus with FY 2023 funding of \$1 million in no year funds. The College Program grants are authorized under Title V of the Help America Vote Act (HAVA) to encourage student participation as poll workers or assistants, to foster student interest in the elections process, and to encourage state and local governments to use students as poll workers.

In FY 2023, the EAC released the 2022 Election Administration and Voting Survey (EAVS) Comprehensive Report and dataset. The biennial EAVS collects nationwide data on nearly 6,500 local election jurisdictions across all 50 states, the District of Columbia, and U.S. territories. The EAVS collects data on voter registration, military and overseas voting, domestic civilian by-mail voting, polling operations, provisional ballots, voter participation, election technology and more. EAVS data is utilized by countless stakeholders in the election community, including members of Congress, legislative staff, federal officials, journalists, academics, advocates, and election officials themselves.

More than 20 years ago, HAVA charged the EAC with providing comprehensive assistance to election administrators across the U.S. Since that time, the agency has worked closely to support our nation's elections by distributing grant funds, certifying voting systems, highlighting best practices, publishing clearinghouse resources, and offering additional support. FY 2023 has marked significant progress in positioning the agency, and the election officials it serves, ahead of the presidential elections.

The promise of HAVA calls on the EAC to improve federal elections and to assist election officials and voters, and we embrace this mission wholeheartedly despite the continued underfunding and statutory limitations noted by the EAC's Office of the Inspector General. There is still work to be done, and the EAC will continue efforts to be a leading voice for confidence in election officials, the election process, and the security of election equipment.

Thank you for your interest in the EAC's mission and activities. The EAC Commissioners and staff are available to provide additional information at your request.

Sincerely,

A handwritten signature in blue ink, reading "Christy McCormick".

**Christy McCormick, Chairwoman**  
U.S. Election Assistance Commission



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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 tool 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.

### I.A. Background, Vision, Mission, and Organizational Structure

In October 2002, Congress passed the Help America Vote Act (HAVA). 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, a formal mission and vision of the agency was set out reflecting its chartering legislation. The following statements were reaffirmed with the approval of the 2022-2027 Strategic Plan.

#### 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.

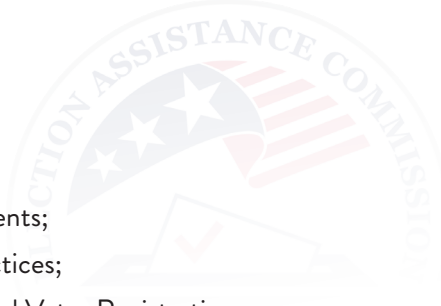
#### EAC Vision Statement:

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 four federal advisory committees: the Standards Board, Board of Advisors, Local Leadership Council, 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 clearinghouse 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 language accessibility and **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, the Board of Advisors, and the Local Leadership Council 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 FY 2003 and FY 2004, 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 FY 2003, the General Services Administration (GSA) distributed \$649.5 million in HAVA funds to the 50 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 FY 2004 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 FY 2004, the EAC also appointed a statutorily required General Counsel. During FY 2005, 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 FY 2007, Congress recognized the expanding agency responsibilities and lifted the full-time equivalent (FTE) staffing ceiling of 24. As of the end of FY 2023, the EAC had approximately 63 FTE. Since its inception, the EAC has received \$2,606,150,000 in requirements payments; and \$26,550,000 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 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 FY 2018. In FY 2018 and FY 2020, Congress appropriated \$380 million and \$425 million, respectively, in formula grants to improve federal elections. 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. Congress appropriated an additional \$75 million in election security formula grants in both FY 2022 and FY 2023 and \$1 million in FY 2023 funding for the relaunch of the College Poll Worker Program.

In FY 2015, the Senate confirmed three Commissioners appointed by the President. In FY 2018, there were two Commissioner vacancies.

In FY 2019, the Senate confirmed two Commissioners appointed by the President. The EAC currently has a full quorum of Commissioners.



# Funding

## EAC Appropriation History Fiscal Years 2003 – 2023

(in millions)

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Section 101 and 102	649,500																					649,500
Administrative Expenses	500																					500
<b>Subtotal 101, 102</b>	<b>650,000</b>																					<b>650,000</b>
Election Reform Program Grants																						
Requirement Payments	830,000 <sup>1</sup>	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		75,000	75,000	955,000
<b>Subtotal, Election Reform</b>	<b>833,000</b>	<b>1,491,150</b>				<b>115,000</b>	<b>106,000</b>	<b>75,000</b>								<b>380,000</b>		<b>425,000</b>		<b>75,000</b>	<b>75,000</b>	<b>3,575,150</b>
Election Data Collection Grants																						
<b>Subtotal, Data Collection</b>						<b>10,000</b>																<b>10,000</b>
COVID-19 Response (CARES) Grants																						
<b>Subtotal, COVID-19 Response (CARES)</b>																						<b>400,000</b>
EAC Salaries & Expenses (S&E)																						
Operations	2,000	1,674 <sup>2</sup>	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	15,500	20,000	27,000	228,618
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	1,500			42,438
Relocation																		2,400				2,400
<b>Subtotal, S&amp;E</b>	<b>2,000</b>	<b>1,674</b>	<b>13,888</b>	<b>13,758</b>	<b>16,263</b>	<b>16,530</b>	<b>17,959</b>	<b>17,959</b>	<b>16,267</b>	<b>11,500</b>	11,037	10,000	10,000	9,600	9,600	10,100	9,200	15,171	17,000	20,000 <sup>1</sup>	27,000	276,506
<b>TOTAL</b>	<b>1,485,000</b>	<b>1,492,824</b>	<b>13,888</b>	<b>13,758</b>	<b>16,263</b>	<b>141,530</b>	<b>123,959</b>	<b>92,959</b>	<b>16,267</b>	<b>11,500</b>	11,037	10,000	10,000	9,600	9,600	390,100	9,200	840,171	17,000	95,000	102,000	4,911,656
<sup>1</sup> Starting FY 2022, the annual NIST transfer has shifted to an Interagency Agreement.																						



## 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. After the descriptions is EAC's organizational chart.

### Clearinghouse

The Clearinghouse Division includes teams devoted to subject matter expertise, communications, and research. Collectively, the Clearinghouse Division:

- prepares and implements programs and resources for election officials and voters;
- researches, collects, and analyzes election data and presents findings in reports, infographics, toolkits, best practices, and white papers;
- leads an internal accessibility working group with EAC staff from various divisions in the agency;
- ensures 508 Compliance of all EAC materials; and
- recommends actions to ensure coordination and integration of accessibility related program activities of each division including meetings and activities of EAC advisory boards.

As the Subject Matter Experts, the Clearinghouse Division:

- utilizes years of experience running elections or working on areas including accessibility to provide subject matter expert feedback to EAC staff across organizational lines, disciplines, and functions;
- creates professional presentations, brochures, and training materials on all facets of election administration;
- works independently and with expert contractors to develop innovative tools for use by election officials in modernizing and streamlining election administration including toolkits, reports, checklists, and guidance materials;
- supports Commissioners in the management and function of FACA Boards; and
- represents the EAC at conferences with key stakeholders across the country to improve the reach of EAC materials in the elections community and to gather key information on emerging trends which require agency action.

### Communications

The Communication 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;
- operates the agency's social media;
- responds to and manages media inquiries;



- plans and executes agency events in coordination with agency leadership and state and local election officials;
- responds to Congressional inquiries;
- provides editorial support, including press releases, speeches, and Congressional testimony; and
- is the EAC's primary point of contact to coordinate with the General Services Administration on [vote.gov](http://vote.gov)

EAC.gov is the agency's primary communications tool and contains thousands of documents and resources about voting systems and election administration, informational videos, research, data, and program-related content. It also features information from public meetings, hearings, summits, and roundtables. The agency's monthly newsletter enables the EAC to share new resources and updates directly with election officials, stakeholders, and the public.

## Research

The Research Division:

- administers the biennial Election Administration and Voting Survey (EAVS) to the 50 states, the District of Columbia, American Samoa, Guam, Puerto Rico, the Northern Mariana Islands and the Virgin Islands. 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 poll worker recruitment, voter eligibility, recount policies, voter accessibility, 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;" manages the translation of the National Mail Voter Registration Form into languages other than English; and conducts complex analyses of election administration data in order to ensure factual, evidence-based information is available to voters, election officials and the general public.

## Finance

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;
- processes and disburses payments to the states and executes all essential grant management responsibilities; and
- is responsible for oversight of funds and coordinating with the IG and Treasury on all required annual audits.



## Grants

The Grants Division:

- issues HAVA grant awards;
- provides technical assistance and training to the states on the administration and use of federal funds;
- oversees and monitors all state grant activities;
- monitors 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 grants;
- 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
- prepares grant expenditure reports for Congress and OMB, and closes out grants when all revenue is expended, or the grant is expired.

## 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) and the National Voluntary Lab Accreditation Program (NVLAP) to evaluate and accredit voting system test laboratories, and the criteria regarding the voting system certification process 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 laboratory processes and voting system manufacturing through the EAC Quality Monitoring Program, including periodic lab and manufacturing facility audits of EAC-registered entities;
- provides procedures to registered voting system manufacturers and Voting System Test Labs (VSTLs) for the testing and certification of voting systems to specified federal standards consistent with the requirements of HAVA Section 231(a)(1);
- provides for accreditation and periodic reassessment of VSTLs in conjunction with NIST's National Voluntary Lab Accreditation Program (NVLAP) consistent with the requirements of HAVA Section 231(b);
- conducts reviews of systems in use in the field upon invitation or with permission from election officials; and
- works with its advisory boards, EAC and NIST to update and implement voluntary testing guidelines for voting systems.



## Field Services Program (FSP)

Derived from the Testing and Certification division's Quality Monitoring Program (QMP), the EAC is implementing a new Field Services Program (FSP), which will be at the forefront of our outreach on behalf of the EAC.

As outlined in HAVA, the agency is positioned to assist state and local jurisdictions in the verification of EAC certified fielded systems on an ongoing basis. To best accomplish this, the FSP team has a deployable, full-time staff of subject matter experts to proactively provide a combination of virtual and onsite services and training to:

- confirm, where applicable, that fielded systems continue to meet VVSG requirements as the systems are deployed and used in elections;
- collect voting system anomaly reports;
- update and inform officials, where applicable, of manufacturer product advisory notices.
- complete vendor and manufacturer site audits;
- assist through pre-election select preparatory training to encourage and support regular system verification;
- connect administrators and officials to colleagues in the field to benefit from their experience and resources;
- connect administrators and officials to partnering agencies' services and support where applicable; and
- in turn, bolster the confidence of officials and the public in the electoral process.

## The Election Supporting Technology Evaluation Program (ESTEP) Division:

Under the authority of HAVA, the EAC developed the Election Supporting Technology Evaluation Program (ESTEP) in 2022, responsible for the evaluation of technologies not covered under the Voluntary Voting System Guidelines (VVSG). In response to the increasing demands from the public and various stakeholders, ESTEP piloted the nation's first voluntary program for testing of e-poll books on the federal level in FY 2023. The mission of ESTEP is to:

- evaluate the security and accessibility of election supporting technologies such as electronic poll books, electronic ballot delivery systems, election night reporting databases, and voter registration portals and databases, through the piloting process;
- conduct a seven-phase process to evaluate each technology, which includes developing requirements, developing pilot artifacts, establishing test groups, evaluating the systems at the Voting System Technical Laboratories (VSTLs), evaluating pilot findings, and presenting findings to our four EAC Commissioners for possible program certification, additional testing, or best practices;
- apply knowledge of election technology policies, practices, and processes to facilitate communication among stakeholders, including security and accessibility experts, election officials, academics, elected officials, and the general public;
- provide expert guidance and maintain agility and modernization with technical changes to applicable standards to ensure that robust security, usability, interoperability, and accessibility practices are in place;

# THE EAC'S ORGANIZATIONAL CHART



*This organizational chart is currently operational but is pending a final vote by Commissioners.*





## 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 new strategic plans in 2018 and 2022. The new Strategic Plan covers 2022-2027. For the purposes of this report, the EAC will reference the 2022 Strategic Plan. 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 2022-2027 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: Clearinghouse

The EAC's Clearinghouse Division, composed of former election officials and subject matter experts, helps the agency share tools for both the public and election administrators, including best practices, information for voters, and other resources. In this role, the EAC serves as a trusted source of nonpartisan election information. The Clearinghouse Division also develops materials and meets with stakeholders and state and local officials.

Since 2021, the Clearinghouse Division has released more than 60 products to assist election administrators. These range from resources on physical security threats against election officials, to EAVS data collection and analysis. Furthermore, Clearinghouse products offer overall guidance in conducting elections, such as improving chain of custody procedures and better serving voters with disabilities. All of the products developed by the Clearinghouse Division are guided by the parameters set forth in HAVA.

Following an agency reorganization, the Subject Matter Experts, Research, and Communications teams are all housed within the broader Clearinghouse Division.

#### Strategic Plan (2022-2027) Goals:

**Encourage** improvements to election administration through the development and distribution of resources that assist election officials in modernizing American elections. Create operational excellence throughout agency management and programming.



## FY 2023 Accomplishments

The EAC is required by HAVA to establish best practices for election administration. While all divisions of the EAC work to fulfill the agency's mission, additional funding in FY 2023 allowed the EAC to expand its dedicated Clearinghouse Division in furtherance of the clearinghouse mandate of HAVA.

The Clearinghouse Division has led on the production, updates, and distribution of several timely and informative products for election officials.

### Physical Security

The escalation of threats to election officials and poll workers is of great concern to the EAC. The agency has taken a proactive approach to distributing information on EAC clearinghouse resources.

In late 2021, the EAC launched a webpage for security-related concerns: **Security Resources for Election Officials**. This dedicated landing page serves as a resource for election workers who may face personal threats in the workplace. The site includes best practices specific to the physical security of poll workers, securing personal information online, practical training videos, information on submitting reports to law enforcement, helpful toolkits, and the most recent updates from our federal partners. In 2023, the EAC added three additional checklists for election officials to update their **Personal Security, Building Access, Deploying Assets**, as well as information on **Grant Funding from Other Federal Agencies**.

Elections and voting-related activities are essential parts of governmental operations. Election officials are expected to continue their work, even during a crisis. Contingency planning activities can help election officials prepare for unexpected circumstances. To assist election officials with their contingency planning, the EAC developed a **Continuity of Operations Plan (COOP) Template** that jurisdictions can use to develop or update their existing plans.

### Accessibility

The EAC is committed to continuing our support of election officials as they fulfill the requirements of both HAVA and the Americans with Disabilities Act (ADA) to ensure elections are fully accessible. We have taken additional steps to serve voters with disabilities by hiring a full-time subject matter expert for accessibility, establishing an internal accessibility working group, continuing EAC research on disability-related voting issues, and expanding our accessibility resources and programs.

This year, the EAC published the "**Disability and Voting Accessibility in the 2022 Elections**" study, which was completed under the clearinghouse and research mandates outlined in HAVA. The study aimed to analyze the 2022 election experience for voters with disabilities. Building on the EAC study conducted in 2020, the EAC collaborated with a team of experienced researchers from Rutgers University and launched the project immediately after the 2022 general election. The study focused on polling place access, mail and absentee voting accessibility, election administration challenges, the impact of COVID-19, and civic participation. As the EAC plans for future elections, this data will be crucial in helping officials adopt new voting technologies and address the ever-growing accessibility needs of an aging demographic.



The U.S. Election Assistance Commission (EAC), in partnership with the Carl and Ruth Shapiro Family National Center for Accessible Media at GBH (NCAM), also released an innovative **video training series** for election officials, poll workers, and other election stakeholders on making voting more accessible to the 15.8 million voters with disabilities. By enhancing our work with voters with disabilities and the election officials who serve them, we aim to improve accessibility and to ensure an independent and private vote for all.

## Voter List Maintenance

All states, except North Dakota, require citizens to register with a state or local elections office prior to participating in certain election-related activities, such as signing candidate petitions or voting. Voter list maintenance is the process election officials use to maintain accurate and up-to-date voter lists. It includes adding, updating, and removing voters from lists. Congress has addressed voter registration records and voter list maintenance through certain provisions in National Voter Registration Act (NVRA) and HAVA, while determining how to conduct list maintenance programs is generally left to the states.

Maintaining an accurate voter registration list is essential to protecting election integrity. Voter registration data ensures that those who cast ballots are eligible and only vote once per election. Maintaining an accurate voter list benefits voters because it lowers the likelihood of lines at the polls, reduces voter confusion, and decreases the number of provisional ballots. Updated records also allow election administrators to plan, better manage their budgets and poll workers, and improve voter experience.

This year, the EAC published several resources on voter list maintenance, including publishing a dedicated website on **voter list maintenance**, to assist election officials with maintaining an accurate voter registration list. Published resources include information on voter roll confidentiality, a **fact sheet**, a **best practices guide** and a **toolkit** on voter list maintenance.

In addition, recognizing the need for improved list maintenance practices, the EAC is implementing a pilot project on new tools in this field. The agency plans to incorporate resources from a leading credit bureau along with selected state and local jurisdictions to enhance list maintenance practices. The pilot aims to determine “best addresses” for voters who have not responded to notifications or other attempted inquiries on their current registration status.

## Communications

Elections are highly local, decentralized activities, with varying laws and rules in every state. Election officials throughout the nation continue to be the ultimate authority on the election administration process ensuring voters and candidates know how to successfully participate. By actively providing factual information, election officials can help mitigate false narratives and give the public the information they need to maintain confidence in the credibility of electoral systems. In today’s climate, effective communication is especially necessary to clarify misconceptions about elections.

The EAC has developed several communication resources to help election officials in developing their communication and public relation strategies. The **AI Toolkit** provides election officials with a general understanding of AI tools, and the opportunities and threats that they create for effective election



administration. The **Communications 101 Toolkit** is designed to help election offices successfully communicate with the public, and plan for challenges that may arise throughout their work. The **How to Work with State Legislators** booklet outlines five key principles to empower local election officials to engage with legislators and the legislative process. Finally, **Secure Elections Toolkit** and the **EAC Testing and Certification Factsheet** are intended to assist election officials when discussing the multi-layered.

## Election Administration

Other resources from the EAC include information on the **proper disposal of unused election equipment**, a primer on **write-in voting, best practices on provisional voting, tips on poll worker recruitment, a guidebook for recruiting college poll workers, UOCAVA resources** for assisting voters overseas or in the military, a report on **alternative voting method, best practices for responding to public records request**, a **report** on understanding the current e-poll book environment, a tool to compare **state election policies**, and continued **vote simulation video series** to help election officials develop strategies for incorporating new voting equipment into the voting process.

## Training

Since 2020, election officials, interested stakeholders, and the public have engaged in a national conversation on how to restore trust in the election process. While the public generally trusts their local election office, this does not translate to election officials in other localities or states. One way to address this problem is the creation of a national-level election official training program to increase the professionalization of election administration and to generate trust in election officials. Additionally, a training program can address concerns about increased turnover in elections offices. In recent surveys, a significant portion of election officials surveyed plan to leave the field before 2024 and recruiting and retaining staff remains a challenge.

In 2023, under its clearinghouse function, the EAC began the process of identifying and developing topic areas and best practices to build and host a free training program for election officials nationwide. This program will allow officials from all jurisdictions to participate regardless of their local budget and will facilitate the exchange of ideas and best practices that is core to the EAC's mission. These continued trainings will allow election officials to gather in-person to learn from the EAC and each other, highlighting best practices and allowing for the development or furtherance of interpersonal relationships between the agency and its key stakeholders.

The Clearinghouse Division also recently released an updated **Election Management Guidelines (EMG)**. This comprehensive resource assists election officials with getting quickly up to speed regarding all aspects of election administration. The updated version covers 19 chapters on topics such as voting system certification, system security, accessibility, ballot building, absentee voting, and recounts, with increased focus on relevant election technologies that have changed since the last EMG from 15 years ago. As the field of election administration continues to see high levels of turnover, the EMG represents an important addition to EAC's growing library of resources for election officials.



## **EAC Clearinghouse Network**

The EAC is also continuing work on the EAC Clearinghouse Network – a collaborative peer-to-peer platform where election officials can find resources, connect with experts and colleagues in other jurisdictions, and discuss emerging issues. To fulfill the mission of the EAC’s clearinghouse function, the agency recognizes that election officials must be able to easily communicate with each other on common issues and solutions. This resource offers a secure platform for that important collaboration.

The network is organized by community topics, and individual posts and resources can be tagged. Users can also list their skills and interests on their profiles, making it easy for community members to connect with experts on specific subjects. Election officials themselves are often the best source of hands-on experience and direct primary information, and the EAC applies their hands-on experience to facilitate discussions between states and localities on many election administration topics. The Clearinghouse Network will first be used to serve our FACA Board members. The initial stage of this project will commence over the next few weeks, with an expanded controlled launch of this system occurring throughout the summer.

## **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 nonpartisan information about the administration of federal elections.

### **Strategic Plan (2022-2027) Goals:**

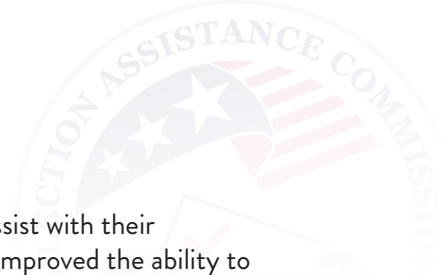
- Effectively and efficiently distribute federal resources to EAC stakeholders.
- Serve as a clearinghouse of election best practices by continually creating resources that help election officials improve the administration of elections and help voters participate in elections.

### **FY 2023 Accomplishments**

Throughout FY 2023, the communications team promoted the work of the EAC, new materials and research, and efforts to better serve the needs of elections officials. This has been improved with the redesign of the EAC’s website, its primary vehicle for communications. 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**

While 2023 had few statewide and federal races, elections continued throughout the year. The year was also an opportunity for election officials to make improvements and implement best practices.



The EAC has continually worked to provide timely materials for election officials to assist with their immediate needs and for the elections to come. The EAC redesigned its website and improved the ability to navigate voting information and resources, resulting in 1.6 million users to the website, with over 2.4 million page views. The EAC engages a social media community with 12,700 Twitter followers, 5,671 Facebook likes, 1,289 Instagram followers, and 2,011 LinkedIn follows.

The EAC returned to hosting in-person meetings in FY 2023. In-person events were kicked off in September 2022 with the HAVA at 20: Building Trust in Elections event held in partnership with Pepperdine University. The EAC held its first event in the new hearing room on November 15 to discuss lessons learned in the 2022 midterm elections as well as vote on the accreditation on the accreditation of Voting System Testing Lab (VSTL) SLI Compliance to test voting systems to the Voluntary Voting System Guidelines (VVSG) 2.0. In addition to these events, the EAC held four in-person events in the new hearing room. Virtual events are still a valuable option to make meetings accessible for panelists and viewers, so the EAC also held two virtual public events.

The EAC's YouTube page is a library of video resources for election officials on election administration topics but also features training and information on grants and the EAVS. This year the EAC posted 47 videos, and live streamed most events resulting in almost 12,000 views on the EAC's [YouTube channel](#) alone. The following provides additional detail about some of these efforts.

The EAC's annual advisory board meetings for the Standards Board, Board of Advisors, and Local Leadership Council were held in-person throughout FY 2023 as mandated by HAVA and the various boards charters. The TGDC held their annual meeting virtually in December 2022 and will be in-person for their December 2023 annual meeting.

At the beginning of FY 2023, the EAC took a significant step in the implementation of the VVSG 2.0 with the accreditation of two VSTLs to test voting systems to VVSG 2.0. The first lab was accredited during the first in-person event in the EAC's new hearing room.

The EAC also held its first in-person event in over two years with the HAVA at 20: Building Trust in Elections event hosted on September 1, in partnership with the Pepperdine University School of Public Policy. The event highlighted some of the key election issues in advance of the 2022 midterm election and detailed the state of elections in the 20 years since the passage of HAVA, a watershed bipartisan piece of legislation that instituted key improvements to voting systems and election administration and established the EAC. This event was part of the EAC's commemoration of the 20-year anniversary of the signing of HAVA, and the 25th year of the Pepperdine School of Public Policy.

In addition to regular public meetings, the EAC held several events expanding on new resources and agency-commissioned research. Public events, including hearings and roundtable discussions, featured state and local election officials, federal partners, researchers, and subject matter experts. The EAC hosted four roundtable discussions including topics such as : poll worker recruitment, training, and programs; serving military and UOCAVA voters; review of significant EAVS findings, and discussion on how the EAVS can be utilized by election officials, academics, and other stakeholders; and voter education and engagement.





The EAC also released “The EAC and Election Security” to combat misleading information on the security of voting systems and describe in plain language the work the EAC does to ensure our elections are secure. This video was also broken into smaller pieces to make it a better resource for election officials to use in their jurisdictions when discussing election security.

Other videos addressed election official security; engaging student voters; simulations for voting process changes, delayed openings and temporary shutdowns of polling locations, and alleviating lines; and cybersecurity and election administration.

### **National Poll Worker Recruitment Day**

During the 2020 elections, officials across the country reported critical shortages of poll workers amid the COVID-19 pandemic. In response, the EAC created National Poll Worker Recruitment Day as a day of action to encourage more people to sign up to become election workers. EAVS data showed there were improvements in the difficulty of recruiting poll workers, but the need still existed in FY 2023. Encouraging people to gain experience as poll workers in 2023 will help build the pool of experienced poll workers for 2024 beginning with the early year primaries. As in previous years, National Poll Worker Recruitment Day was used by election officials and organizations to raise awareness about the benefits and importance of poll working and inspired more Americans to sign up. Leading up to August 23, the EAC updated the lookup tool hosted on [HelpAmericaVote.gov](https://www.HelpAmericaVote.gov) with information about being a poll worker in state and local jurisdictions including hours, requirements, pay, and information on how to apply. The EAC developed graphics, a communications toolkit, and online resources to help election officials and others take part in the effort. The EAC is continually working to improve the resources it provides for election offices and others to participate. This year, the EAC offered customizable graphic templates in PowerPoint to enable even more people to utilize the tools.

The EAC did not host Help America Vote Day in 2023 but is planning to hold this day of action on January 30, 2024.

National Poll Worker Recruitment Day garnered national attention and highlighted the need for poll workers across the United States, even in an off-year election. The day of action garnered bipartisan support with over 40 states represented by their state election offices or local jurisdictions participating along with advocacy groups, members of Congress, celebrities, and corporations. The toolkits and graphics are hosted on the EAC’s website as customizable resources for election officials as they continue recruitment efforts.

### **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 Testing and Certification program, Election Administration and Voting Survey data and other EAC research. In FY 2023, the communications team distributed 35 press releases and advisories.



## Outreach to Election Officials

The EAC continued to distribute the monthly newsletter which launched in September 2020. In addition to monthly updates the EAC also uses, the distribution list is made up of 5,400 state and local election officials, board members, stakeholders, and members of the public to alert readers about important events and resources. The Communications team is continually working to increase readership and usability of the newsletter to ensure this remains an effective communication tool.

## Clearinghouse Awards

In late May, the EAC announced the 24 winners of the 2022 **Clearinghouse Awards**, recognizing best practices in election administration. Also known as the “Clearies,” the awards program celebrates the hard work of election offices across the country by honoring programs implemented in the 2022 midterms. The seven Clearie award categories cover a variety of topics from poll worker training and recruitment to efforts to improve access for voters with disabilities.

The latest awardees include jurisdictions of varying sizes, from states with 6.5 million registered voters to counties with roughly out 80,000 registered voters. Now in its seventh year, the Clearies play an essential role in fulfilling the EAC’s mission to serve as a clearinghouse for election administration under HAVA.

## Federal Advisory Committee Act (FACA) Activities

There are three HAVA-mandated federal advisory committees that assist the EAC in completing its mission: the Standards Board, the Board of Advisors, and the Technical Guidelines Development Committee (TGDC). The charters for these boards were renewed on April 13, 2023. In June 2021, the EAC established the fourth advisory committee, the Local Leadership Council, comprised of 100 local election officials who are current or former officials in their state’s professional local election official association. All four EAC advisory boards are subject to the Federal Advisory Committee Act (FACA).

The EAC’s four FACA Boards each held one annual meeting in FY 23 in addition to numerous executive board and subcommittee meetings. The annual meetings of the FACA boards included agenda items such as the election of officers, the creation of subcommittees, discussing important updates to VVSG and EAC mission activities, and providing advice to the EAC pursuant to their respective charters. The inaugural in-person meeting of the LLC elected their first Executive Committee and engaged directly with the LLC membership to gain valuable insight on election administration issues.

The EAC Commissioners each serve as a Designated Federal Officer (DFO) of the FACA Boards, and an EAC staff member serves as the Alternate Designated Federal Officer (ADFO) for each Board. The General Counsel serves as the Committee Management Officer (CMO) to oversee the administration of the requirements of FACA. Together, the DFOs, ADFOs, and CMO ensure the boards are compliant with FACA and other applicable laws and regulations, call, attend, and adjourn meetings, approve agendas, and conduct other important work to facilitate the Board activities. The Office of the General Counsel, Clearinghouse, OCIO, and Administration Divisions provide essential programmatic and technical assistance in hosting Board meetings. The EAC looks forward to continuing its important work with the Standards Board, Board of Advisors, the TGDC, and the LLC in FY 24.



## Freedom of Information Act (FOIA) Activity

All FOIA requests are received and processed by the EAC Office of General Counsel. The Office of General Counsel is comprised of four full-time attorneys, two of which are the Chief FOIA Officer and FOIA Public Liaison. The Office of General Counsel received 50 FOIA requests and completed 88 FOIA requests during FY 2023. The Office of General Counsel has also maintained the EAC's online FOIA Reading Room to ensure frequently requested documents and information is easily available to the public. Maintenance of the FOIA Reading Room included four new proactive disclosures during FY 2023 to better inform the public on EAC operations.

## Program Area: Finance

The EAC Finance Division is responsible for all matters related to agency budget formulation, execution, and oversight. The Finance Division coordinates with all necessary partners including the US Department of Treasury and Office of Management and Budget (OMB).

### Strategic Plan (2022-2027) Goals:

- Create operational excellence throughout agency management and programming.

### FY 2023 Accomplishments

In FY 2023, the EAC Finance Division successfully executed its highest operating budget since 2010, leaving less than half a percent unobligated by year end, an obligation rate of 99.89% according to Treasury's financial system.

Additionally, in the spring of FY 2023, the Office of Management and Budget submitted to Congress its Fiscal Year 2024 Budget for the EAC which came in a \$333.8 million, including \$300 million in Election Security Grants, the largest amount since the first President's Budget for the Agency in 2004. The Finance Division continues to coordinate with all appropriate stakeholders on proper budget execution and general funds administration for the agency.

## Program Area: Grants

The Office of Grants Management (Grants Office) 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.



### **Strategic Plan (2022-2027) Goals:**

- Encourage improvements to election administration through the development and distribution of resources that assist election officials in modernizing American elections.
- Create operational excellence throughout agency management and programming.

### **FY 2023 Accomplishments**

#### **HAVA Election Security Funding**

Congress authorized HAVA Election Security funds under Title I Section 101 of the Help America Vote Act (HAVA). The HAVA Election Security funds appropriated in 2018, 2020, 2022 and 2023 totaled \$880 million, \$380 million in 2018, \$425 million in 2020, and \$75 million in 2022 and 2023. In FY 2023, the EAC awarded the latest appropriation of grants to states to improve the administration of federal elections, including to enhance technology and make election security improvements. The grants to 56 states and territories, and the District of Columbia total \$949,067,280. In FY 2023, the grants office provided technical assistance to states as they used the funding for improving the administration of federal elections. Multiple training events were held to support the quarterly reporting requirement.

#### **HAVA CARES Funding**

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) included \$400 million in 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 56 states and U.S. territories, and the District of Columbia, provided additional resources to protect the 2020 elections from the effects of the novel coronavirus' effects. The grants totaled \$397,205,287. Some states requested only the amount of funds they were sure they could match at the 20 percent required state share level.

In FY 2023, the EAC continued the process with individual grantees to close out grants for which activities had concluded and financials were reconciled. The EAC closed 10 CARES grants in FY 2023 bringing the total closed to 55. Many states spent all their funding, while some states have returned federal funds including interest earned on those funds. The federal funds returned in FY 2023 totaled \$6,698,780.74.

#### **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 FY 2023, the grants office monitored Section 251 Requirements Payment grants of \$1,725,010,341 to 32 states. The EAC also closed one grant that was fully expended.



## **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.

In FY 2023, the grants office monitored Section 101 grants in the amount of \$105,107,441 to 14 states. EAC also closed two grants that were fully expended.

## **Agency Capacity Building**

The agency has a new agreement to work with the Department of the Interior for the negotiation of Indirect Cost Rate Agreement for its grantees in FY 2023. The agreement replaces the services previously provided by HHS and will continue in FY 2024.

In FY 2023, the agency continued to utilize HHS’ GrantSolutions grants administration software for all grants administrative functions. However, due to user feedback and limited opportunities for customization in GrantSolutions, the EAC has discontinued services with HHS as of September 30, 2023. The EAC is currently working with Groundswell, a mid-tier technology services developer, to build a fully customized grant award management system as a replacement for GrantSolutions. The new system, called the Grants Lifecycle Application System (GLAS), was launched on October 1, 2023, and is based on the low-code Appian platform. GLAS provides a unified user experience and is designed to strengthen the efficiency and consistency of the EAC’s federal award management processes. GLAS will provide auditable historical grants records, improving the integrity of grants program data and increasing the agency’s transparency and accountability. Fully automated processes in GLAS will reduce staff time on administrative activities and allow staff to work on additional program development including risk assessment, audit resolution, and technical assistance for grantees. The agency conducted initial requirements gathering and system planning with Groundswell in May 2023 and worked on an accelerated timeline to build out basic grants administration functionality ahead of the next annual report deadline of December 29, 2023. Additional system functions and enhancements in GLAS will continue through FY 2024, during which time the Grants Office will standardize financial assistance management procedures.

## **Oversight and Monitoring**

The EAC is mandated to monitor and provide oversight for all HAVA grants. The EAC continues to oversee the CARES grant expenditures and developed a process to identify funds remaining unspent to return to the U.S. Treasury after December 31, 2020 and close out CARES grants that had completed activities and associated spending.



During FY 2023, staff reviewed Federal Financial Reports (FFRs) and Progress Reports submitted by the states for their HAVA 101 Election Improvement grants for activities to improve the administration of elections, 251 Requirements Payment funds, CARES grants and Election Security grants. Information from the FFRs as of September 30, 2022, was used to compile the annual grant expenditure report during FY 2023. The report is available on [www.eac.gov/grants](http://www.eac.gov/grants).

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

### **Training and Technical Assistance**

EAC staff members provide technical assistance to the states as they plan and implement federal funds. During FY 2023, staff conducted remote technical assistance to states and developed tailored guidance around the use of HAVA funding for threats against election officials and countering mis- and dis-information.

Specifically, EAC developed Frequently Asked Questions (FAQs), written guidance, and webinars to train grantees on the use of HAVA 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 reporting requirements and mechanism for the grantee progress and financial reports and coordinated indirect cost rate negotiations for states with the Department of the Interior.

### **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 help 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.

#### **Strategic Plan (2022-2027) Goals:**

- Strengthen American elections through the development and implementation of responsive and dynamic voting system guidelines, security, and cyber resources for election officials.
- Encourage improvements to election administration through the development and distribution of resources that assist election officials in modernizing American elections.
- Create operational excellence throughout agency management and programming.





## FY 2023 Accomplishments

### Election Administration and Voting Survey

On a biennial basis, the EAC administers the EAVS, the most comprehensive survey on the administration of U.S. elections. The survey collects data on approximately 2.6 million data points from all 50 states, the District of Columbia, American Samoa, Guam, Puerto Rico, the Virgin Islands, and the Northern Mariana Islands. The EAVS dataset is usable by other federal agencies, election officials, academics, and 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.

Following the November 2022 election, the EAC administered the 2022 EAVS. The EAC published and implemented two new resources for EAVS respondents: 1. an EAVS Glossary containing over 130 terms used in the 2022 EAVS and Policy Survey instruments; 2. eight state-requested webinars conducted on the EAVS process. In the summer of 2023, the EAC published the 2022 EAVS Comprehensive Report and accompanying datasets. In late FY 2023, the EAC initiated a needs assessment review by interviewing 22 states about their experiences completing the 2022 EAVS and gathered input from participants for implementation in 2024. Prior to the needs assessment interview the EAC for the first time deployed a customer satisfaction survey to respondents immediately after states submitted their final certified 2022 EAVS responses, 27 states completed the survey. Preparation for question user testing of the survey instruments began in late FY 2023 and is scheduled to be conducted in early FY 2024. EAC continues to work to improve the data quality of these survey instruments. The EAC is currently planning for a November 2023 start of the 60-day public comment period for the 2024 EAVS, with the 30-day public comment period to follow in January 2024. OMB approval of the 2024 survey instruments is anticipated for March 2024.

In late FY 2023, the EAC was preparing to release the 2022 EAVS Data Interactive and State EAVS Data briefs. Both products help make EAVS data accessible to a wide audience and provide summaries of state- and jurisdiction-level data. This cycle, the EAC is adding a brief that covers the U.S. as a whole in addition to the state briefs. The briefs and interactive are scheduled to be released in early FY 2024.

In preparation for the 20<sup>th</sup> anniversary of the EAVS, the EAC will be creating a historical EAVS dataset which will contain EAVS data from the first EAVS in 2004 to the most recent 2022 EAVS. This dataset will make it easier for scholars, states, and other EAVS users to compare the data across time. The EAC will be releasing a report commemorating the release of the dataset and the anniversary of this important survey to the election administration field. The dataset and report will be published late FY 2024.

EAC research staff was able to respond to 130 data and information requests from voters, election officials and researchers representing 33 states. Staff also conducted proactive analysis of EAVS data misuse in the news media, prepared fact-check briefs and developed presentations.



## Conducting Original Research

During FY 2023, the EAC and Auburn University worked on the following HAVA studies covering the following topics: HAVA Sec 241(b)(11): Federal and State Laws Governing the Eligibility of Persons to Vote; HAVA Sec 241(b)(13): Laws and Procedures used by Each State Concerning Recounts, What Constitutes a Vote, and Contesting Ballots; and HAVA Sec 241(b)(8): Methods of Recruiting, Training, and Improving the Performance of Poll Workers. All three studies are scheduled to be completed early FY 2024. At the end of FY 2023, the EAC commissioned one HAVA study to be completed by Auburn University. The study will cover: HAVA Sec 244: Study and Report on Section 303(b) Voters Who Register by Mail and Use of Social Security Information. This study is scheduled to be completed by the end of FY2024.

At the end of FY 2023, the EAC commissioned a study on HAVA Grant narratives to be completed by the Bipartisan Policy Center. This study will help better understand the impact HAVA grants have had on election administration in the United States. Research will be conducted on state expenditures made possible by the federal HAVA funds. The project will identify cross-state themes, elevate case studies, and compile a publicly available dataset of HAVA grants that will streamline other studies of federal election spending. The report is scheduled to be completed in June 2024.

## Serving Voters

In FY 2023, the EAC processed 2 state-requested updates to the National Mail Voter Registration form instructions and accompanying language translations. The EAC began to process one additional state update at the end of the fiscal year. The EAC offers a Braille translation of the form's content alongside 21 other language translations. The EAC understands it must not only help election officials improve the administration of their elections but must also directly help voters. Voter resources are 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, and information on registering to vote – including the National Mail Voter Registration Form.

## 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.

### Strategic Plan (2022-2027) Goals:

- Encourage improvements to election administration through the development and distribution of resources that assist election officials in modernizing American elections.
- Create operational excellence throughout agency management and programming.



## FY 2023 Accomplishments

The EAC administers and manages the only national standard-setting program to test and certify voting systems. It is voluntary for states to use this program and its standards. Most, if not all, states use the program in some way. The program operates by creating and modifying the VVSG, accrediting 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 use the testing program's accredited labs to help with their certifications.

The EAC Commissioners unanimously approved the VVSG 2.0 in February 2021. With its adoption, manufacturers may begin designing and building new voting equipment to comply with the new guidelines. The VVSG 2.0 includes significant improvements to accessibility, usability, and cybersecurity requirements. Various audit methods and software independent architectures are required to confirm the accuracy of the vote, which will serve to increase voter confidence.

In FY 2023, the Testing and Certification Division completed work with NIST's NVLAP on assessments of the Voting System Test Laboratories (VSTLs) to expand their accreditation scope for VVSG 2.0. With the accreditation of both VSTLs to test to VVSG 2.0, the EAC is now accepting applications to test voting systems against the new guidelines. In accordance with the EAC's VVSG Lifecycle Policy, migration to VVSG 2.0 will be complete 12 months after accreditation of the VSTLs in November 2023 when applications to test voting systems to prior versions of the guidelines will no longer be accepted, with the exception of limited maintenance modifications to existing EAC certified systems. Testing and Certification also continues to work with NIST on researching technological solutions to increase voter confidence, including end-to-end cryptographic voting systems.

In addition to the work on VVSG 2.0, the EAC's Testing and Certification program tested and certified 4 voting systems and 31 engineering change orders (ECOs). Currently there is one active voting system test campaign for evaluation against VVSG 2.0 and a second pending to be accepted into the program for evaluation against VVSG 1.0.

The Testing and Certification Division is also working on standing up a Field Services program that, with allowance from states, will bring EAC staff on-site to election offices. The purpose of the program is to assist election officials with quality monitoring aspects of the Testing and Certification program including verification of fielded system configurations, receipt and where applicable, investigation of voting system anomaly reports, and information on manufacturer product advisory notices. Additionally, Field Services will assist officials by providing information on the EAC's Clearinghouse products, toolkits, and best practices. This program will be ready to launch in early FY 2024.



## 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.

### Strategic Plan (2022-2027) Goals:

- Strengthen American elections through the development and implementation of responsive and dynamic voting system guidelines, security, and cyber resources for election officials.
- Encourage improvements to election administration through the development and distribution of resources that assist election officials in modernizing American elections.
- Create operational excellence throughout agency management and programming.

### FY 2023 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 guidance on hash validation, contributions to the EAC's chain of custody best practices guidance, and the continued hosting of CISA's Election Risk Management online tool.

In 2023, the program continues to focus on the EAC's internal security in response to Executive Order 14028, Improving the Nation's Cybersecurity, by establishing plans to move our information technology assets toward a zero-trust architecture. The EAC fully on-boarded with the CISA CDM program for automated reporting of vulnerability and remediation data.

The program continues to assist other agency divisions in leveraging secure technologies to accomplish their mission. CAS provided technical assistance to the Testing and Certification program's initiation of penetration testing for all certified voting systems. This included assistance in scoping the testing, reviewing initial laboratory reports, and making suggestions for improvements. Additionally, CAS is developing a coordinated vulnerability disclosure (CVD) program for voting systems in coordination with external federal partners and stakeholders. In late 2023, CAS is launching a quarterly series of cyber threat intelligence briefings focused on election security with the goal of providing actionable guidance for election officials with front-line responsibility for securing our critical elections infrastructure. Finally, CAS provided security requirement review support during the ESTEP e-poll book pilot program testing effort.

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

To strengthen EAC's ability to achieve its mission, the focus of FY 2023 has been carrying out the strategies outlined in the agency's current Strategic Plan (2022-2027). The Administration Division's support services — human resources, event planning, travel, space and facilities, and acquisition management — play an important role in this achievement and it is important that these services be efficient and effective. Over the past three years, internal customers' satisfaction with mission support services has continued to improve year-to-year.

### Strategic Plan (2022-2027) Goals:

- Create operational excellence throughout agency management and programming.

### FY 2023 EAC Accomplishments

Administrative and human resource policies and procedures are essential to running the day-to-day operations of EAC. The fiscal year found the agency reviewing and revising its policies to ensure compliance with federal laws and regulations, to give guidance for decision-making and streamline internal processes. This review was a priority for the agency and has resulted in up-to-date policies and procedures and a review of potential expansions in policies to allow the agency to recruit and retain high performing employees. These policies will be reviewed and updated on a yearly basis moving forward.

Cross-office training to ensure all EAC staff, regardless of division, have a basic understanding of finance, internal controls, and ethics. The earlier an issue can be detected; the cheaper and faster corrective action can be taken. That is why strong preventative controls are so important in agency operations and cross-training can be effective.

Despite the small size of the EAC, any federal agency must provide full administrative and human resources services to ensure compliance with federal regulations and to serve the agency's work force. In FY 2023, the EAC continued a review and re-envisioning of the Administration Division and services to assure they met customer needs. A succession plan, along with cross-training of staff on administration support functions was implemented to ensure continuity. Additionally, the agency began the work on initialization of new HRIS system and platforms for the agency. This system will allow the agency to capitalize on technology to improve services, streamline processes, promote efficiency, and improve impact metrics to ensure that HR practices are meeting EAC needs.

In FY 2023, the EAC hired a human resources manager to serve and support EAC staff. This key position plays a significant role in creating value throughout the agency by understanding the financial impact of decisions, hiring and training qualified employees, ensuring compliance with rules and regulations, and improving business practices and processes.

For many years the EAC has worked to address the lack of gender and racial diversity in the election industry. Targeted recruitment has increased diversity in applicant pools and minorities hold key positions among staff. And in FY 2023, the EAC hired a Diversity, Equity, Inclusion, Accessibility, and EEO Officer



to attract and improve workforce development. The EAC has established a presence amongst historically Black and Hispanic learning institutions. While pleased with the efforts to date, the Administrative Division looks forward to understanding and supporting the programmatic and operational needs of new teams and projects. . The FY 2024 budget includes funds to hire travel and administrative support staff. The agency continues to actively seek out opportunities to invest in and maintain a staff that reflects a skilled, diverse and effective workforce.

## FY 2023 Performance Summary

The following table presents key EAC FY 2023 program performance results data.

Performance Indicator	Type of Indicator	Outcome
<b>Program Area: Communications and Clearinghouse</b>		
Regularly issue information on EAC activities.	Output	<p>Redesigned and launched eac.gov in early summer 2023.</p> <p>Distributed about 35 press releases.</p> <p>297 Facebook posts with over 80,000 impressions.</p> <p>357 Tweets with about 566,000 impressions.</p> <p>31 Instagram posts with almost 5,000 impressions</p> <p>97 LinkedIn posts with about 45,000 impressions</p> <p>EAC monthly newsletters to about 5,400 state and local election officials, stakeholders, press, and members of the public.</p> <p>Developed graphics, communications toolkits, and social media campaign for National Poll Worker Recruitment Day with election offices from 40 states including the District of Columbia participating.</p>
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, 2023.

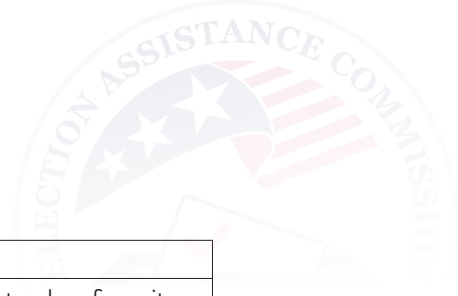




Performance Indicator	Type of Indicator	Outcome
Produced best practices and resource materials to assist election officials.	Output	Topics include: <ul style="list-style-type: none"> <li>• Polling Place Consolidation</li> <li>• Election Management Guidelines on election administration topics</li> <li>• Checklists for Physical Security &amp; information on Federal Grant</li> <li>• Accessibility</li> <li>• College Poll Worker Guidebook</li> <li>• Public Records Best Practices</li> <li>• Alternative Voting Report</li> <li>• How to Work with your Legislators Guide</li> <li>• Webinar Video Series</li> <li>• Secure Elections Toolkit</li> <li>• Best Practices: Voting Equipment Disposal</li> <li>• UOCAVA</li> <li>• Voter List Maintenance</li> <li>• Voter Roll Privacy</li> <li>• COOP Template &amp; Guidance Document</li> <li>• Best Practices: Provisional Voting</li> <li>• State Election Policies Data</li> <li>• AI Toolkit</li> <li>• Communication 101 Toolkit</li> <li>• Poll Worker Quick Tips</li> <li>• E- Poll Book Report</li> </ul>
<b>Program Area: Grants Management</b>		
CARES Grant Oversight and Monitoring.	Output	Continuous monitoring of grant reporting and activities including closing out grants on a rolling basis. Closed 19 CARES grants.
Election Security Grant Oversight and Monitoring.	Output	Continuous monitoring of grant reporting and activities. Awarded FY 2022 Election Security funding.
Section 251 Requirements Payments Grant Oversight and Monitoring.	Output	Continuous monitoring of grant reporting and activities.
Section 101 Grant Oversight and Monitoring.	Output	Continuous monitoring of grant reporting and activities.
Help America Vote College Program	Output	Developed and published a competitive grants application, guidance, and NOFO for the 2023 Help America Vote College Program competition. Open application period starts in early November.
Modernize and automate the administration of grants at EAC.	Output	Completed requirements gathering and development of a new custom-built grants management platform to replace GrantSolutions. Migrated all financial assistance awards to the Grants Lifecycle Application System (GLAS) in preparation for 2023 annual reporting deadline in December.
Review Progress and Financial Reports and follow up with failure to file.	Output	EAC reviewed all submitted Federal Financial Reports (FFRs) and Progress Reports across the four streams of funding, HAVA Section 101, 251 Requirement Payments, Election Security and CARES.
DATA Act – USASpending.gov Grants Reporting.	Output	EAC is compliant with requirements to post grant funding in USA Spending and has updated policies and procedures for submission of the data.



<b>Performance Indicator</b>	<b>Type of Indicator</b>	<b>Outcome</b>
Training and Technical Assistance.	Output	Provided training and technical assistance over email, phone, webinars and written guidance in the form of Frequently Asked Questions and online guidance.
<b>Program Area: Research</b>		
Effectively and efficiently distribute federal resources to EAC stakeholders.	Output	Updated 2 state requests to the NVRA form.  Published the 2022 EAVS Comprehensive Report and accompanying datasets.  Commissioned 3 original research studies.
Serve as an expert on the administration of American elections.	Output	Performed 5 EAVS data fact checks originating from press requests and inquiries from the general public.  Answered 125 information requests from voters.
<b>Program Area: Testing and Certification</b>		
Test and certify voting systems.	Output	Certified 4 voting systems with 2 currently in progress.  Approved 31 engineering change orders (ECOs).  Maintained a map of EAC certified voting systems by county.  Hired staff to stand up Field Services program that will fulfill quality monitoring aspects of voting system testing and certification.
Produce voting system guidance for use in the field.	Output	Published 2 updates to VVSG 2.0 test assertions.  Published 5 requests for interpretation (RFI) regarding VVSG 2.0 requirements.
<b>Program Area: Election Supporting Technology Evaluation Program (ESTEP)</b>		
Electronic Poll Book Pilot	Output	EBP requirements were formally established, shared with stakeholders and utilized by the VSTLs during pilot testing.  Pilot artifacts and agreements created.  Seven participants agreed to join the pilot, ranging from manufacturers, one state, and a local jurisdiction.  In response to the testing process and the testing reports issued by the VSTLs to the participants, it was overwhelmingly recommended by the labs and participants that a formal certification program be established for electronic poll books by the EAC.  A comprehensive EAC Electronic Pilot Report is being constructed based upon the entire pilot experience, including recommendations for a possible future certification process for the Commissioners.



<b>Program Area: IT &amp; Cyber</b>		
Increase the cybersecurity capabilities of the agency for both internal and external customers.	Output	The EAC continued to build out and configure its infrastructure to meet zero trust architecture goals. The EAC added additional cybersecurity-focused personnel to increase its in-house capabilities and reduce reliance on contractor support.
Continue to modernize EAC IT infrastructure.	Output	The EAC upgraded its endpoint management capabilities with 100% coverage of all endpoints and rolled out secure baselines for connected systems. New identity management tools were implemented as part of zero trust architecture efforts.
Provide support to other EAC departments.	Output	The office of the Chief Information Officer personnel provided critical support to the implementation and continued penetration testing of certified voting systems, technical and cybersecurity support to ESTEP pilot activities, and supported clearinghouse releases with technical review and guidance. OCIO also organized an artificial intelligence (AI) community of interest within the EAC to suggest policies and procedures for agency use of AI technologies as well as providing guidance to agency stakeholders.

## Portfolio Analysis

Since 2004, EAC has received funds in four appropriations: Salaries and Expenses, Election Reform Programs, Election Data Collection Grants (for FY 2008 only), and CARES (for FY 2020 only).

In FY 2023, EAC received funds in the Salaries and Expenses (S&E) appropriation of \$28 million. The S&E appropriation was used for a \$1.5 million interagency agreement to NIST, payroll, travel, rent, telecommunications, printing, contracts, supplies, subscriptions, equipment, and software. Additionally, \$1,000,000 was provided in the Salaries and Expenses for the Help America Vote College Program and \$75,000,000 was provided for Election Security Grants.



## 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 FY 2022 to FY 2023; 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.

In FY 2023, the available budgetary resources were \$103 million, up from \$95 million in FY 2022. In FY 2023, as mentioned previously, EAC's appropriations totaled \$28 million for Salaries and Expenses, including \$1.5 million to NIST through the form of an interagency agreement and \$1 million for the Help America Vote College Program.

Obligations Incurred decreased from \$152 million in FY 2022 to \$108.8 million in FY 2023. The Unobligated Balance – Apportioned increased from \$73k in FY 2022 to \$1.08 million in FY 2023.

### Financial Position

#### Assets

EAC had \$95.5 million in total assets (Fund Balance with Treasury; Accounts Receivable; Property, Equipment, and Software; and Other Assets) as of September 30, 2023, compared to \$82.9 million in FY 2022.

#### Liabilities

EAC had total liabilities (Accounts Payable, accrued salaries and benefits, and unfunded leave) of \$9,719,951 as of September 30, 2023. Liabilities decreased from \$9,240,282 as of September 30, 2022.

#### Net Position

Net position (Unexpended Appropriations and Cumulative Results of Operations) increased from \$73.7 million in FY 2022, to \$85.7 million in FY 2023.



## Results of Operations

The EAC, as presented in the Statement of Net Costs, reports the results of operations within three programs: Strengthen, Encourage, and Create. 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 \$91 million in FY 2023, an increase from \$72.8 million in FY 2022.

## 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. The EAC has provided the 2023 Annual Statement of Assurance to senior leadership as a part of its 2023 year-end processes.

### 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 are 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 FY 2023. 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 FY 2023 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 FY 2023 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.

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.

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 FY 2008. 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 are 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 are 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 FY 2023. 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 use its resources effectively and efficiently.

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, considering 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, 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 (CORs). 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 de-obligations 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.



## Grants Program

Category	2-3 Years	4-5 Years	More than 5 Years
Number of Grants/ Cooperative Agreements with Zero Dollar Balances	1	0	3
Number of Grants/ Cooperative Agreements with Undisbursed Balances	0	0	0
Total Amount of Undisbursed Balances	0	0	0

The three grants remaining to be closed require additional data from the grantees and final Federal Financial Reports before EAC can close them. The EAC is currently working with the states to submit the required reports.

## Payment Integrity Information Act Reporting

The EAC is required to complete the Annual Data Call issued by OMB and provide a link to [PaymentAccuracy.gov](https://www.paymentaccuracy.gov) within the AFR.

Additionally, the agency is on a three-year risk assessment cycle and was found to be fully compliant and overall low risk in its third-party risk assessment for FY 2023. During its payment recapture audit, the Bureau of Fiscal Service found no instances of improper payments within the agency for FY 2023.



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

## Annual Assurance Statement on Internal Control

October 20, 2023

The management of the Election Assistance Commission (EAC) is responsible for establishing and maintaining effective internal control and financial management systems that meet the objectives of the Federal Managers' Financial Integrity Act (FMFIA) and Office of Management and Budget (OMB) Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*. Internal control is an integral component of EAC's management, 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 on self-assessments. With respect to assessing internal control designed to ensure the reliability of financial reporting, the EAC relied upon the evaluation of internal controls over financial reporting conducted by its independent auditors, on reports issued by the Inspector General, and on 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, as well as a third-party comprehensive risk assessment in FY 2023, and a payment recapture audit on improper payments.

In FY 2023, the auditors found no material weaknesses in internal controls over financial management reporting. Further, the auditors found no instances of noncompliance with laws and regulations. The auditors did find significant deficiencies in the agency's procurement area, citing the "EAC needs improvements in the implementation of its procurement policies and procedures." The EAC is taking appropriate steps to ensure these deficiencies are addressed.

Additionally, during its payment recapture audit, the Bureau of Fiscal Service found no instances of improper payments within the agency for FY 2023, and the EAC was found overall to be low risk in its third-party risk assessment completed in FY 2023. The EAC is currently on a three-year risk assessment cycle.

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.

A handwritten signature in blue ink that reads "Christy McCormick".

Christy McCormick, Chairwoman

## II.A. Inspector General's Assessment



### SECTION II

# Financial Section



# OFFICE OF INSPECTOR GENERAL

U.S. Election Assistance Commission

## AUDIT OF THE U.S. ELECTION ASSISTANCE COMMISSION'S FINANCIAL STATEMENTS FOR FISCAL YEAR 2023

Report No. F23HQ0044-24-02  
November 13, 2023



# HIGHLIGHTS

## AUDIT OF EAC'S FINANCIAL STATEMENTS FOR FISCAL YEAR 2023

Report No. F23HQ0044-24-02

November 13, 2023

### What OIG Audited

The Office of Inspector General (OIG), through the independent public accounting firm of Allmond & Company, LLC, audited the U.S. Election Assistance Commission's (EAC's) financial statements for the fiscal year ended September 30, 2023.

The audit included reporting on EAC's financial statements, on EAC's internal control over financial reporting, and on EAC's compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements.

### What OIG Found

The audit found that EAC's financial statements present fairly, in all material respects, EAC's financial position as of September 30, 2023, and its net cost of operations, changes in net position, and budgetary resources for the fiscal year then ended in accordance with U.S. generally accepted accounting principles.

The tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance that would be reportable under U.S. generally accepted accounting principles.

However, the audit identified a significant deficiency in EAC's financial reporting controls related to procurement policies and procedures not being adhered to while entering into contracts.

### What OIG Recommended

The audit made three recommendations to improve EAC's internal controls over financial reporting:

- 1 Utilize a contracting officer to enter into all new contracts.
- 2 Review all current open obligations and have a contracting officer ratify the contracts identified as having no proper authorization.
- 3 Ensure that all signed contracts are appropriately retained by EAC and/or their service provider.



**U.S. ELECTION ASSISTANCE COMMISSION  
OFFICE OF INSPECTOR GENERAL**

**DATE:** November 13, 2023

**TO:** U.S. Election Assistance Commission, Executive Director, Steven Frid

**FROM:** U.S. Election Assistance Commission, Inspector General, Brianna Schletz

**SUBJECT:** Audit of the U.S. Election Assistance Commission's Financial Statements for Fiscal Year 2023 (Report No. F23HQ0044-24-02)

We contracted with the independent public accounting firm of Allmond and Company, LLC (Allmond & Company) to audit the financial statements of U.S. Election Assistance Commission (EAC) as of and for the fiscal year ended September 30, 2023, to provide a report on internal control over financial reporting, report on compliance with laws and other matters, and provide a report on whether EAC's financial management systems complied with selected provisions of applicable laws, regulations, contracts, and grant agreements. The contract required that the audit be performed in accordance with U.S. generally accepted government auditing standards, Office of Management and Budget audit guidance, and the GAO/CIGIE *Financial Audit Manual*.

In its audit of EAC, Allmond & Company reported:

- the financial statements are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles;
- EAC had no material weaknesses in internal control over financial reporting; however, there was one significant deficiency<sup>1</sup> related to procurement policies and procedures;
- no instances where EAC's financial management systems did not comply substantially with the Federal Financial Management Improvement Act of 1996; and
- no reportable noncompliance with provisions of laws tested or other matters.

Allmond & Company also issued a management letter report discussing control deficiencies related to maintaining documentation and personnel files. This letter will be transmitted separately.

Allmond & Company is responsible for the attached auditor's report dated November 10, 2023, and the conclusions expressed therein. We do not express opinions on EAC's financial statements or internal control over financial reporting, or on whether EAC's financial management systems complied substantially with the applicable provisions of laws tested, or conclusions on compliance and other matters.

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<sup>1</sup> A significant deficiency is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit the attention by those charged with governance.

cc: Commissioner Christy McCormick, Chair  
Commissioner Benjamin W. Hovland, Vice Chair  
Commissioner Donald L. Palmer  
Commissioner Thomas Hicks

**EAC – 2023 Financial Statement Audit**  
**Contract: 47QRAA21D0026/20342123F00006**

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**U.S. Election Assistance Commission**  
**Fiscal Year 2023 Financial Statement Audit**

**Final Independent Auditor’s Report**

*Submitted for review and acceptance to:*

Brianna Schletz  
Contracting Officer's Representative  
Election Assistance Commission Office of Inspector General  
633 3<sup>rd</sup> Street NW, Suite 200  
Washington, DC 20001

*Submitted by:*

Jason L. Allmond CPA, CGFM, CISA, CISM  
Managing Member  
Allmond & Company, LLC  
7501 Forbes Blvd., Suite 200  
Lanham, MD 20706  
301-918-8200  
[jallmond@allmondcpa.com](mailto:jallmond@allmondcpa.com)

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**Final Independent Auditors’ Report**

Prepared under contract to the Election Assistance Commission (EAC) Office of Inspector General (OIG) to provide financial auditing services

**U.S. ELECTION ASSISTANCE COMMISSION  
AUDIT REPORT  
SEPTEMBER 30, 2023**



**ALLMOND & COMPANY, LLC  
Certified Public Accountants  
7501 Forbes Blvd., Suite 200  
Lanham, Maryland 20706  
(301) 918-8200**



## Independent Auditor's Report

Christy McCormick, Chairwoman  
Paul Repak, Director of Finance

Inspector General Election Assistance Commission:

### Report on the Financial Statements

#### Opinion

Pursuant to the Accountability of Tax Dollars Act of 2002, we have audited the accompanying financial statements of the Election Assistance Commission (EAC), which comprise the balance sheet as of September 30, 2023; the related statement of net cost, changes in net position, and budgetary resources for the fiscal year then ended; and the related notes to the financial statements (hereinafter referred to as the financial statements).

In our opinion, EAC's financial statements present fairly, in all material respects, EAC's financial position as of September 30, 2023, and its net cost, changes in net position, and budgetary resources for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 24-01, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 24-01 are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of EAC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Other Matter

The financial statements of EAC as of and for the fiscal year ended September 30, 2022 were audited by another auditor, who expressed an unmodified opinion on those statements on November 14, 2022. These statements were not audited, reviewed, or compiled by us; accordingly, we do not express an opinion or provide any other form of assurance on them.

#### Responsibilities of Management for the Financial Statements

Management is responsible for (1) the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; (2) preparing, measuring, and presenting Required Supplementary Information (RSI) in accordance with U.S. generally accepted accounting principles; (3) preparing and presenting other information included in EAC's Performance and Accountability Report and ensuring the consistency of that information with the audited financial statements and the RSI; and (4) designing, implementing, and maintaining effective 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 Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, generally accepted government auditing standards (GAGAS), and OMB Bulletin No. 24-01 will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, GAGAS, and OMB Bulletin No. 24-01, our responsibilities are to exercise professional judgment and maintain professional skepticism throughout the audit, identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures that are responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements in order to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. In addition, in making those risk assessments, we obtain an understanding of internal control relevant to an audit 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 EAC's internal control. Accordingly, we express no such opinion.

An audit also includes 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, and performing other procedures we consider necessary in the circumstances. We are required to communicate with those charged with governance regarding, among other matters, the planned scope of and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the financial statement audit.

*Required Supplementary Information (RSI)*

U.S. generally accepted accounting principles issued by the Federal Accounting Standards Advisory Board (FASAB) require that the information in the RSI be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by FASAB, which considers it 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 our inquiries, the financial statements, and other knowledge we obtained during the audit of the EAC's 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. Management is responsible for the other information included in EAC's Performance Accountability Report. The other information comprises the *Chairwoman's Letter, Management and Discussion Analysis, Measuring Performance: Key Results for FY 2023*, and *Other Information* sections but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exist between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**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 the auditor's responsibilities discussed below.

Results of Our Consideration of Internal Control over Financial Reporting

Our consideration of internal control was for the limited purpose described below and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies<sup>1</sup> 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 that we consider to be material weaknesses; however, material weaknesses or significant deficiencies may exist that have not been identified.

During our fiscal year 2023 audit, we identified a deficiency in EAC's internal control over financial reporting that we consider to be a significant deficiency. The deficiency is described in the accompanying Exhibit I, *Findings and Recommendations*, to this report. We considered this significant deficiency in determining the nature, timing, and extent of our audit procedures on EAC's fiscal year 2023 financial statements. Although the significant deficiency in internal control did not affect our opinion on EAC's

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<sup>1</sup> A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit the attention by those charged with governance.

fiscal year 2023 financial statements, misstatements may occur in unaudited financial information reported internally and externally by EAC because of this significant deficiency.

We also identified a deficiency in EAC's internal control over financial reporting that we do not consider to be a material weakness or significant deficiency that, nonetheless, warrants EAC management's attention. We have communicated these matters to EAC management and where appropriate, will report on them separately.

*Basis for Results of Our Consideration of Internal Control over Financial Reporting*

We performed our procedures related to EAC's internal control over financial reporting in accordance with U.S. generally accepted government auditing standards.

*Responsibilities of Management for Internal Control over Financial Reporting*

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

*Auditor's Responsibilities for Internal Control over Financial Reporting*

In planning and performing our audit of EAC's financial statements as of and for the fiscal year ended September 30, 2023, in accordance with U.S. generally accepted government auditing standards, we considered EAC's internal control relevant to the financial statement audit 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 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 limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error.

*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 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 responsibilities discussed below.

#### *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 2023 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.

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

We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for Tests of Compliance section below.

#### Responsibilities of Management for Compliance with Laws, Regulations, Contracts, and Grant Agreements

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

#### Auditor's Responsibilities for Tests of Compliance with Laws, Regulations, Contracts, and Grant Agreements

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 to perform certain other limited procedures. Accordingly, we did not test compliance with all laws, regulations, contracts, and grant agreements applicable to EAC. We caution that noncompliance may occur and not be detected by these tests.

#### *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.

**EAC's Response to Findings**

EAC's responses to the findings identified during our audit are described immediately following the auditors' recommendations in Exhibit I. EAC's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

*Allmond & Company, LLC*

Lanham, MD  
November 10, 2023

## **Improvements needed over Implementation of the Election Assistance Commission Procurement Policies and Procedures**

### **CONDITION**

During our review of the Election Assistance Commission (EAC) procurement activities we noted that EAC needs improvements in the implementation of its procurement policies and procedures. More specifically, we noted the following:

#### Interim Testing

- For 15 of 111 procurement samples tested, we noted that the contract was signed by an EAC official without the appropriate authority to do so.
- For 1 of 111 procurement samples tested, we noted that the EAC was unable to provide a signed contract to support an obligation recorded in EAC's financial system.

#### Year-end Testing

- For 1 of 55 procurement samples tested, we noted that the contract was signed by an EAC official without the appropriate authority to do so.
- For 1 of 55 procurement samples tested, we noted that the EAC was unable to provide a signed contract to support an obligation recorded in EAC's financial system.

### **CRITERIA**

The U.S. Election Assistance Commission Policies and Procedures, March 2018, Section C *Overview* Subpart 2(a) states that the Commission's policy is to "Acquire all supplies and services following the Federal Acquisition Regulations (FAR) the uniform policies and procedures for acquisition by all executive agencies and this document".

In addition, Section C, subpart 2(e) states that "Only the Contracting Officer can obligate the Commission in procurement activities".

The U.S. Federal Acquisition Regulation, *General*, Section 1.601 (a) states that "Unless specifically prohibited by another provision of law, authority, and responsibility to contract for authorized supplies and services are vested in the agency head. The agency head may establish contracting activities and delegate broad authority to manage the agency's contracting functions to heads of such contracting activities. Contracts may be entered into and signed on behalf of the Government only by contracting officers".

U.S. Government Accountability Office GAO-14-704G, *Standards for Internal Control in the Federal Government* (or "Green Book"), September 2014 revision, *Section 10.3 Proper Execution of Transactions* states that "Transactions are authorized and executed only by persons acting within the scope of their

authority. This is the principal means of assuring that only valid transactions to exchange, transfer, use, or commit resources are initiated or entered into.”

Additionally, *Section 10.3 Appropriate Documentation of Transactions and Internal Control* states that “Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. The documentation may appear in management directives, administrative policies, or operating manuals, in either paper or electronic form. Documentation and records are properly managed and maintained.”

### **CAUSE**

EAC management did not always adhere to the documented EAC procurement policies and procedures or the Federal Acquisition Regulation (FAR) while entering into contracts with public vendors.

### **EFFECT**

EAC has entered into several unauthorized contracts with public vendors totaling over \$2,636,520 in our sample alone. As a result, EAC has recorded obligations in its financial system for contracts that are not considered legally binding.

Furthermore, EAC failed to comply with the acquisition regulations outlined in the Federal Acquisition Regulation (FAR), the codification and publication of uniform policies and procedures for acquisition by all executive agencies.

### **RECOMMENDATION**

We recommend that EAC management:

- Utilize a contracting officer(s), such as their designated service provider, to enter into all new contracts on behalf of the EAC.
- Review all current open obligations and identify all contracts entered into without proper authorization and have the EAC and/or service provider contracting officer ratify the contracts. Ensure that the authorization is properly documented.
- Ensure that all signed contracts are appropriately retained by EAC and or their service provider.

### **MANAGEMENT RESPONSE**

Management concurs with the condition and will consider the recommendation provided when determining if a corrective action plan should be developed once the audit concludes.

### **AUDITOR RESPONSE**

We will perform follow up procedures during FY 2024 to determine if corrective action has been fully implemented.



**UNITED STATES ELECTION ASSISTANCE COMMISSION**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED  
SEPTEMBER 30, 2023 AND 2022**





**UNITED STATES ELECTION ASSISTANCE COMMISSION  
FINANCIAL STATEMENTS  
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

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**UNITED STATES ELECTION ASSISTANCE COMMISSION**  
**BALANCE SHEET**  
**AS OF SEPTEMBER 30, 2023 AND 2022**  
**(In Dollars)**

	2023	2022
<b>Assets:</b>		
Intragovernmental Assets:		
Fund Balance with Treasury (Note 2)	\$ 93,805,774	\$ 81,819,235
Advances and Prepayments	158,713	541,032
<b>Total Intragovernmental Assets</b>	<b>93,964,487</b>	<b>82,360,267</b>
Other than Intragovernmental Assets:		
Accounts Receivable, Net (Note 3)	17,054	14,004
Property, Plant, and Equipment, Net (Note 4)	1,531,168	600,096
<b>Total Other than Intragovernmental Assets</b>	<b>1,548,222</b>	<b>614,100</b>
<b>Total Assets</b>	<b>\$ 95,512,709</b>	<b>\$ 82,974,367</b>
<b>Liabilities (Note 5):</b>		
Intragovernmental Liabilities:		
Accounts Payable	\$ 545,731	\$ 743,892
Other Liabilities (Note 6)	54,753	44,430
<b>Total Intragovernmental Liabilities</b>	<b>600,484</b>	<b>788,322</b>
Other than Intragovernmental Liabilities:		
Accounts Payable	2,023,566	2,001,788
Federal Employee and Veteran Benefits Payable	496,258	402,436
Other Liabilities (Note 6)	6,599,643	6,047,736
<b>Total Other than Intragovernmental Liabilities</b>	<b>9,119,467</b>	<b>8,451,960</b>
<b>Total Liabilities</b>	<b>\$ 9,719,951</b>	<b>\$ 9,240,282</b>
Commitments and Contingencies (Note 8)		
<b>Net Position:</b>		
Unexpended Appropriations - Funds from Other than Dedicated		
Collections	\$ 84,737,308	\$ 73,490,262
<b>Total Unexpended Appropriations (Consolidated)</b>	<b>84,737,308</b>	<b>73,490,262</b>
Cumulative Results of Operations - Funds from Other than Dedicated		
Collections	1,055,450	243,823
<b>Total Cumulative Results of Operations (Consolidated)</b>	<b>1,055,450</b>	<b>243,823</b>
<b>Total Net Position</b>	<b>\$ 85,792,758</b>	<b>\$ 73,734,085</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 95,512,709</b>	<b>\$ 82,974,367</b>

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

**UNITED STATES ELECTION ASSISTANCE COMMISSION**  
**STATEMENT OF NET COST**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022**  
(In Dollars)

	2023	2022
<b>Gross Program Costs (Note 9)</b>		
Program A: Technology		
Gross Costs	\$ 79,609,539	\$ 61,738,056
Less: Earned Revenue	-	-
Net Program Costs	79,609,539	61,738,056
Program B: Resources		
Gross Costs	5,222,235	4,576,290
Less: Earned Revenue	-	-
Net Program Costs	5,222,235	4,576,290
Program C: Operations		
Gross Costs	6,172,032	6,474,894
Less: Earned Revenue	-	-
Net Program Costs	6,172,032	6,474,894
Net Cost of Operations	\$ 91,003,806	\$ 72,789,240

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

**UNITED STATES ELECTION ASSISTANCE COMMISSION**  
**STATEMENT OF CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022**  
(In Dollars)

	2023	2022
<b>Unexpended Appropriations:</b>		
Beginning Balance	\$ 73,490,262	\$ 51,624,048
Beginning Balance, as Adjusted	\$ 73,490,262	\$ 51,624,048
Appropriations Received	103,000,000	95,000,000
Other Adjustments	(520,070)	(347,967)
Appropriations Used	(91,232,884)	(72,785,819)
Net Change in Unexpended Appropriations	11,247,046	21,866,214
<b>Total Unexpended Appropriations</b>	<b>\$ 84,737,308</b>	<b>\$ 73,490,262</b>
<b>Cumulative Results of Operations:</b>		
Beginning Balance	\$ 243,823	\$ (99,566)
Beginning Balance, as Adjusted	\$ 243,823	\$ (99,566)
Appropriations Used	91,232,884	72,785,819
Imputed Financing (Note 10)	582,549	346,810
Net Cost of Operations	(91,003,806)	(72,789,240)
Net Change in Cumulative Results of Operations	811,627	343,389
<b>Total Cumulative Results of Operations</b>	<b>\$ 1,055,450</b>	<b>\$ 243,823</b>
<b>Net Position</b>	<b>\$ 85,792,758</b>	<b>\$ 73,734,085</b>

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

**UNITED STATES ELECTION ASSISTANCE COMMISSION**  
**STATEMENT OF BUDGETARY RESOURCES**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022**  
(In Dollars)

	2023	2022
<b>Budgetary Resources:</b>		
Unobligated Balance From Prior Year Budget Authority, Net (Note 11)	\$ 71,347,972	\$ 119,281,561
Appropriations	103,000,000	95,000,000
<b>Total Budgetary Resources</b>	<b>\$ 174,347,972</b>	<b>\$ 214,281,561</b>
<b>Status of Budgetary Resources:</b>		
New Obligations and Upward Adjustments (Total)	\$ 108,862,443	\$ 152,042,811
Unobligated Balance, End of Year:		
Apportioned, Unexpired Accounts	1,086,825	217,490
Unapportioned, Unexpired Accounts	3,783,490	3,629,837
Unexpired Unobligated Balance, End of Year	4,870,315	3,847,327
Expired Unobligated Balance, End of Year	60,615,214	58,391,423
Unobligated Balance, End of Year (Total)	65,485,529	62,238,750
<b>Total Budgetary Resources</b>	<b>\$ 174,347,972</b>	<b>\$ 214,281,561</b>
<b>Outlays, Net and Disbursements, Net:</b>		
Outlays, Net (Total)	\$ 90,493,391	\$ 67,994,154
<b>Agency Outlays, Net</b>	<b>\$ 90,493,391</b>	<b>\$ 67,994,154</b>

The accompanying notes are an integral part of these 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, conducting the Election Administration and Voting Survey (EAVS) following each federal election, and maintaining the national mail voter registration form developed in accordance with the National Voter Registration Act of 1993. Additionally, the agency employs subject matter experts in election administration, voting technology, cyber security, and election law to produce best practices, resources, guidance, trainings, pilot programs, and studies to serve the nation's election officials.

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 EAC established the Local Leadership Council as a fourth FACA board to advise the agency from the perspective of local election officials.

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. The 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.

The 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. The 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 the 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 the 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 the EAC's 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 the 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 the control and monitoring of federal funds as well as the compliance with legal requirements on the use of those funds.

### **D. Fund Balance with Treasury**

Fund Balance with Treasury 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 fund 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 Fund Balance with Treasury 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 the 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. The EAC's capitalization threshold is \$25,000 for individual purchases and \$100,000 for bulk purchases. 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.

The EAC reports its liabilities under two categories, Intragovernmental and Other than Intragovernmental. Intragovernmental liabilities represent funds owed to another government agency. Liabilities other than intragovernmental 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's 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**

The EAC's employees participate in either the CSRS or the FERS. The employees who participate in CSRS are beneficiaries of the EAC's 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 the EAC matches any employee contribution up to an additional four percent of pay. For FERS participants, the 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, the EAC remits the employer's share of the required contribution.

The 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 the EAC for current period expense reporting. OPM also provides information regarding the full cost of health and life insurance benefits. The EAC recognized the offsetting revenue as imputed financing sources to the extent these expenses will be paid by OPM.

The 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**

The EAC's employees eligible to participate in the Federal Employees' Health Benefits Plan (FEHBP) and the Federal Employees' Group Life Insurance Program (FEGSIP) 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. 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.

## O. 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, 2023 and 2022, were as follows:

	2023	2022
<b>Status of Fund Balance With Treasury:</b>		
Unobligated Balance		
Available	\$ 1,086,826	\$ 217,490
Unavailable	64,398,704	62,021,259
Obligated Balance Not Yet Disbursed	28,320,244	19,580,486
<b>Total</b>	<b>\$ 93,805,774</b>	<b>\$ 81,819,235</b>

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.

**NOTE 3. ACCOUNTS RECEIVABLE, NET**

Accounts receivable balances as of September 30, 2023 and 2022, were as follows:

	2023	2022
Intragovernmental		
Accounts Receivable	\$ -	\$ -
<b>Total Intragovernmental Accounts Receivable</b>	<b>\$ -</b>	<b>\$ -</b>
Other than Intragovernmental		
Accounts Receivable	\$ 17,054	\$ 14,004
<b>Total Other than Intragovernmental Accounts Receivable</b>	<b>\$ 17,054</b>	<b>\$ 14,004</b>
<b>Total Accounts Receivable</b>	<b>\$ 17,054</b>	<b>\$ 14,004</b>

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, 2023 and 2022.

**NOTE 4. PROPERTY, PLANT, AND EQUIPMENT, NET**

Schedule of General Property, Plant, and Equipment, Net as of September 30, 2023 and 2022:

	Acquisition Cost	Accumulated Depreciation and Amortization	Net Book Value
<b>2023</b>			
<b>Major Class:</b>			
Buildings	\$ -	\$ -	\$ -
Furniture and Equipment	846,499	352,041	494,458
Software	86,414	17,704	68,710
Software In Development	968,000	-	968,000
<b>Total</b>	<b>\$ 1,900,913</b>	<b>\$ 369,745</b>	<b>\$ 1,531,168</b>
<b>2022</b>			
<b>Major Class:</b>			
Buildings	\$ -	\$ -	\$ -
Furniture and Equipment	844,011	267,469	576,542
Software	32,119	8,565	23,554
<b>Total</b>	<b>\$ 876,130</b>	<b>\$ 276,034</b>	<b>\$ 600,096</b>

**NOTE 5. LIABILITIES NOT COVERED BY BUDGETARY RESOURCES**

The liabilities for the EAC as of September 30, 2023 and 2022, 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.

	2023	2022
Intragovernmental-Unemployment Insurance	-	1,198
Unfunded Leave	487,196	363,503
Total Liabilities Not Covered by Budgetary Resources	\$ 487,196	\$ 364,701
Total Liabilities Covered by Budgetary Resources	9,227,178	8,870,005
Liabilities Not Requiring Budgetary Resources	5,577	5,576
<b>Total Liabilities</b>	<b>\$ 9,719,951</b>	<b>\$ 9,240,282</b>

Unemployment Insurance liabilities represent the unfunded liability for actual workers compensation claims and unemployment benefits paid on the 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 6. OTHER LIABILITIES

Other liabilities account balances as of September 30, 2023 and 2022, were as follows:

	Current	Non-Current	Total
<b>2023</b>			
Intragovernmental:			
Employer Contributions and Payroll Taxes Payable (without reciprocals)	\$ 11,672	\$ -	\$ 11,672
Custodial Liability (to the general fund)	5,577	-	5,577
Employer Contributions and Payroll Taxes Payable	37,504	-	37,504
<b>Total Intragovernmental</b>	<b>\$ 54,753</b>	<b>\$ -</b>	<b>\$ 54,753</b>
Other than Intragovernmental:			
Accrued Funded Payroll and Leave	\$ 158,509	\$ -	\$ 158,509
Other Liabilities w/Related Budgetary Obligations	6,441,134	-	6,441,134
<b>Total Other than Intragovernmental</b>	<b>\$ 6,599,643</b>	<b>\$ -</b>	<b>\$ 6,599,643</b>
<b>Total Other Liabilities</b>	<b>\$ 6,654,396</b>	<b>\$ -</b>	<b>\$ 6,654,396</b>
<b>2022</b>			
Intragovernmental:			
Employer Contributions and Payroll Taxes Payable (without reciprocals)	\$ 7,510	\$ -	\$ 7,510
Custodial Liability (to the general fund)	5,576	-	5,576
Employer Contributions and Payroll Taxes Payable	23,696	-	23,696
Other Post Employment Benefits Due and Payable	6,450	-	6,450
Other Unfunded Employment Related Liability	1,198	-	1,198
<b>Total Intragovernmental</b>	<b>\$ 44,430</b>	<b>\$ -</b>	<b>\$ 44,430</b>

Other than Intragovernmental:			
Accrued Funded Payroll and Leave	\$ 102,415	\$ -	\$ 102,415
Other Liabilities w/Related Budgetary Obligations	5,945,321	-	5,945,321
<b>Total Other than Intragovernmental</b>	<b>\$ 6,047,736</b>	<b>\$ -</b>	<b>\$ 6,047,736</b>
<b>Total Other Liabilities</b>	<b>\$ 6,092,166</b>	<b>\$ -</b>	<b>\$ 6,092,166</b>

## NOTE 7. LEASES

### Operating Leases

In Fall 2020, the EAC relocated to its current headquarters at 633 3<sup>rd</sup> St. NW. Washington, D.C. The EAC is currently operating under a 10-year lease, which included delayed occupancy of the basement hearing room which became effective August 1, 2022. As of now, the EAC is operating under its full annual occupancy agreement amount for the duration of its lease.

Below is a schedule of future payments for the term of the lease:

	Office Space	Total Federal
<b>Fiscal Year</b>		
2024	\$ 714,321	\$ 714,321
2025	718,129	718,129
2026	722,017	722,017
2027	725,986	725,986
2028	730,038	730,038
After 2028	1,595,782	1,595,782
<b>Total Future Lease Payments</b>	<b>\$ 5,206,273</b>	<b>\$ 5,206,273</b>

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

## NOTE 8. COMMITMENTS AND CONTINGENCIES

The EAC did not have any material contingent liabilities that met disclosure requirements as of September 30, 2023 and 2022.

## 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:

	2023	2022
Technology		
Intgragovernmental Costs	\$ 2,946,306	\$ 2,247,174
Public Costs	76,663,233	59,490,882
Less: Earned Revenue	-	-
<b>Total Costs</b>	<b>79,609,539</b>	<b>61,738,056</b>

Resources			
Intergovernmental Costs	\$	1,851,881	\$ 2,056,378
Public Costs		3,370,354	2,519,912
Less: Earned Revenue		-	-
<b>Total Costs</b>		<b>5,222,235</b>	<b>4,576,290</b>
Operations			
Intergovernmental Costs	\$	3,104,011	\$ 3,606,176
Public Costs		3,068,021	2,868,718
Less: Earned Revenue		-	-
<b>Total Costs</b>		<b>6,172,032</b>	<b>6,474,894</b>
Total Intragovernmental Costs	\$	7,902,198	\$ 7,909,728
Total Public Costs		83,101,608	64,879,512
<b>Total Costs</b>		<b>91,003,806</b>	<b>72,789,240</b>
Less: Earned Revenue		-	-
<b>Net Cost of Operations</b>	<b>\$</b>	<b>91,003,806</b>	<b>\$ 72,789,240</b>

#### 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 years ended September 30, 2023 and 2022, respectively, inter-entity costs were as follows:

		2023		2022
Office of Personnel Management	\$	582,549	\$	346,810
<b>Total Imputed Financing Sources</b>	<b>\$</b>	<b>582,549</b>	<b>\$</b>	<b>346,810</b>

#### 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, 2023 and 2022, consisted of the following:

		2023		2022
Unobligated Balance Brought Forward From Prior Year, October 1	\$	62,205,344	\$	42,075,304
Recoveries of Prior Year Obligations		9,662,698		77,554,224
Other Changes in Unobligated Balances		(520,070)		(347,967)
<b>Unobligated Balance From Prior Year Budget Authority, Net (Discretionary and Mandatory)</b>	<b>\$</b>	<b>71,347,972</b>	<b>\$</b>	<b>119,281,561</b>

A manual adjustment was made to the unobligated balance brought forward from prior year, October that is reflected on EAC's SF 133 line 1020. This adjustment was to correct accounting errors in the amount of \$33,406.

#### NOTE 12. UNDELIVERED ORDERS AT THE END OF THE PERIOD

Budgetary resources obligated for undelivered orders as of September 30, 2023 and 2022 were as follows:

	Federal	Non-Federal	Total
<b>2023</b>			
Paid Undelivered Orders	\$ 158,712	\$ -	\$ 158,712
Unpaid Undelivered Orders	1,659,194	17,433,873	19,093,067
<b>Total Undelivered Orders</b>	<b>\$ 1,817,906</b>	<b>\$ 17,433,873</b>	<b>\$ 19,251,779</b>
<b>2022</b>			
Paid Undelivered Orders	\$ 541,032	\$ -	\$ 541,032
Unpaid Undelivered Orders	1,729,567	8,980,914	10,710,481
<b>Total Undelivered Orders</b>	<b>\$ 2,270,599</b>	<b>\$ 8,980,914</b>	<b>\$ 11,251,513</b>

#### NOTE 13. EXPLANATION OF DIFFERENCES BETWEEN THE STATEMENT OF BUDGETARY RESOURCES AND THE BUDGET OF THE U.S. GOVERNMENT

The President's Budget that will include fiscal year 2023 actual budgetary execution information has not yet been published. The President's Budget is scheduled for publication in February 2024 and can be found at the OMB website: <http://www.whitehouse.gov/omb/>. The Fiscal Year 2024 Budget of the United States Government, with the "Actual" column completed for 2022, has been reconciled to the Statement of Budgetary Resources and there were no material differences.

(In Millions)

	Budgetary Resources	New Obligations & Upward Adjustments (Total)	Distributed Offsetting Receipts	Net Outlays
Combined Statement of Budgetary Resources	\$ 214	\$ 152	\$ -	\$ 68
Unobligated Balance Not Available	(58)	-	-	-
<b>Budget of the U.S. Government</b>	<b>\$ 156</b>	<b>\$ 152</b>	<b>\$ -</b>	<b>\$ 68</b>

#### NOTE 14. CUSTODIAL REVENUES

The 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 the EAC nor material to the



overall financial statements. The EAC's total custodial collections are \$0 and \$0 for the years ended September 30, 2023 and 2022, 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.

The reconciliation of Net Cost to Net Outlays as of September 30, 2023:

	Intragovern- mental	Other than Intragovern- mental	Total
<b>Net Operating Cost</b>	<b>\$ 7,902,198</b>	<b>\$ 83,101,608</b>	<b>\$ 91,003,806</b>
<b>Components of Net Operating Cost Not Part of the Budgetary Outlays</b>			
Property, Plant, and Equipment Depreciation Expense	-	(93,711)	(93,711)
<b>Increase/(Decrease) in Assets:</b>			
Accounts Receivable, Net	-	3,051	3,051
Advances and Prepayments	(382,320)	-	(382,320)
<b>(Increase)/Decrease in Liabilities:</b>			
Accounts Payable	198,161	(21,778)	176,383
Federal Employee and Veteran Benefits Payable	-	(93,822)	(93,822)
Other Liabilities	(10,322)	(551,908)	(562,230)
<b>Financing Sources:</b>			
Imputed Cost	(582,549)	-	(582,549)
<b>Total Components of Net Operating Cost Not Part of the Budgetary Outlays</b>	<b>\$ (777,030)</b>	<b>\$ (758,168)</b>	<b>\$ (1,535,198)</b>
<b>Components of the Budget Outlays That Are Not Part of Net Operating Cost</b>			
Acquisition of Capital Assets	-	1,024,783	1,024,783
<b>Total Components of the Budget Outlays That Are Not Part of Net Operating Cost</b>	<b>\$ -</b>	<b>\$ 1,024,783</b>	<b>\$ 1,024,783</b>
<b>Total Net Outlays (Calculated Total)</b>	<b>\$ 7,125,168</b>	<b>\$ 83,368,223</b>	<b>\$ 90,493,391</b>
<b>Budgetary Agency Outlays, net</b>			<b>\$ 90,493,391</b>

The reconciliation of Net Cost to Net Outlays as of September 30, 2022:

	Intragovern- mental	Other than Intragovern- mental	Total
<b>Net Operating Cost</b>	<b>\$ 7,909,729</b>	<b>\$ 64,879,511</b>	<b>\$ 72,789,240</b>

**Components of Net Operating Cost Not Part of the Budgetary Outlays**

Property, Plant, and Equipment Depreciation Expense	-	(92,824)	(92,824)
<b>Increase/(Decrease) in Assets:</b>			
Accounts Receivable, Net	-	1,664	1,664
<b>(Increase)/Decrease in Liabilities:</b>			
Accounts Payable	(433,229)	1,109,070	675,841
Federal Employee and Veteran Benefits Payable	-	795	795
Other Liabilities	65,945	(5,557,436)	(5,491,491)
<b>Financing Sources:</b>			
Imputed Cost	(346,810)	-	(346,810)
<b>Total Components of Net Operating Cost Not Part of the Budgetary Outlays</b>	<b>\$ (714,094)</b>	<b>\$ (4,538,731)</b>	<b>\$ (5,252,825)</b>

**Components of the Budget Outlays That Are Not Part of Net Operating Cost**

Acquisition of Capital Assets	-	457,739	457,739
<b>Total Components of the Budget Outlays That Are Not Part of Net Operating Cost</b>	<b>\$ -</b>	<b>\$ 457,739</b>	<b>\$ 457,739</b>

**Misc Items**

Custodial/Non-Exchange Revenue	5,576	(5,576)	-
<b>Total Other Reconciling Items</b>	<b>\$ 5,576</b>	<b>\$ (5,576)</b>	<b>\$ -</b>

<b>Total Net Outlays (Calculated Total)</b>	<b>\$ 7,201,211</b>	<b>\$ 60,792,943</b>	<b>\$ 67,994,154</b>
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<b>Budgetary Agency Outlays, net</b>			<b>\$ 67,994,154</b>
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**NOTE 16. 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.

COVID-19 Activity as of September 30, 2023 and 2022:

		<b>2023</b>	<b>2022</b>
<b>COVID-19 Activity</b>			
Budgetary Resources: Unobligated (and unexpired) Balance Carried Forward from PY	\$	57,447,435	\$ 37,427,788
Rescissions/Other Changes to Budgetary Resources		8,794,366	77,242,879
Budgetary Resources Obligated		(6,815,692)	(57,223,232)
<b>Budgetary Resources: Ending Unobligated (and unexpired) Balance to be Carried Forward</b>	<b>\$</b>	<b>59,426,109</b>	<b>\$ 57,447,435</b>

<b>Outlays, Net (Total)</b>	<b>\$ (6,928,815)</b>	<b>\$ (20,292,640)</b>
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In addition, this note should refer to other notes that discuss COVID-19 impacts. These could include, among others, the following notes: FBWT (Note 2), liabilities not covered by budgetary resources (Note 5), other liabilities (Note 6), intra-governmental costs and exchange revenue (Note 9), inter-entity costs (Note 10), etc.



## SECTION III

# Other Accompanying Information



### III.A. Summary of Financial Statement Audit and Management Assurances

<b>Summary of Fiscal Year 2023 Financial Statement Audit</b>						
Audit Opinion		Unmodified				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance	
Financial Accounting & Reporting	0				0	
Total Material Weaknesses	0				0	
<b>Summary of Management Assurances</b>						
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

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**OFFICE OF INSPECTOR GENERAL**  
U.S. Election Assistance Commission

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**MANAGEMENT CHALLENGES  
FOR THE U.S. ELECTION  
ASSISTANCE COMMISSION IN  
FISCAL YEAR 2024**



# Introduction

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This is the Office of Inspector General's (OIG's) independent assessment of the top management challenges facing the U.S. Election Assistance Commission (EAC). The Reports Consolidation Act of 2000 requires us to annually update our assessment of EAC's "most serious management and performance challenges facing the agency and briefly assess the agency's progress in addressing those challenges."<sup>1</sup>

Based on our oversight work, we identified five challenges EAC must navigate to fully meet its mission:

- Aligning Resources With Mandates While Addressing Expectations and Risks
- Attracting and Retaining a Highly Skilled Workforce
- Coordinating to Meet Customer Service and Critical Infrastructure Goals
- Providing Effective Oversight of Grantees
- Strengthening Internal Controls

In this report, we modified the first management challenge from last year to account for EAC's increased appropriation. Many of the challenges mirror last year but have new conditions that may impact EAC's ability to navigate such challenges. We also elevated a challenge related to the agency's controls over records and policies. We focused on areas that most impact the agency's ability to help election officials improve the administration of elections and help Americans participate in the voting process. The report includes a description of all five challenges, EAC's progress in addressing them, and the work that remains to be done. We note that some of the challenges stem from factors beyond EAC's full control.

We are committed to providing timely oversight of EAC's programs and operations and this report will help inform OIG's work.

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<sup>1</sup> The Reports Consolidation Act of 2000, Pub. L. No. 106 –531 § 3 (codified at 31 U.S.C. § 3516).

# Aligning Resources With Mandates While Assessing Expectations and Risks

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In fiscal year 2023, EAC received an appropriation of \$28 million, an increase of \$8 million from FY 2022.<sup>2</sup> EAC is the only federal agency with a specific mandate to help improve U.S. election administration<sup>3</sup> and was established in 2002 with the enactment of the Help America Vote Act (HAVA).<sup>4</sup> HAVA outlined three main functions for the independent agency: (1) testing and certification of voting systems, (2) providing a clearinghouse of information for election officials and the public, and (3) distributing grants to states and territories.<sup>5</sup> EAC addresses its three-pronged mandate with four bipartisan Commissioners and support from 63 staff members.

## Why is This a Challenge?

The process of executing the budget is central to EAC's ability to deliver on its mandates and there are inherent challenges to spend additional funds when the funds need to be obligated within 1 year. However, EAC received an increase in funding when the 2023 appropriation was signed into law on December 29, 2022. This was after a 3-month continuing resolution that left EAC with 9 months to responsibly spend an additional \$8 million from the previous year—or 29 percent more—while accounting for increased expectations and programmatic risks.<sup>6</sup>

In addition to the budget-related challenges, there continues to be growing needs in the election community, driven by increased interest in elections and intensified demand on election workers. The U.S. election system is impacted by new and emerging risks such as artificial intelligence and staffing shortages. The challenging and changing environment emphasizes the importance that agency communication remains consistent, balanced, and bipartisan.

As states prepare for the 2024 election year, expectations for EAC have increased. EAC continues to report an uptick in Freedom of Information Act requests, and new requests from election administrators. Recently, EAC, as a trusted source of election information, has been called on to provide comprehensive messaging around its Voluntary Voting System Guidelines (VVSG) 2.0.<sup>7</sup> Despite growing expectations and demands, EAC also faces the introduction of new bills, including one that outlines responsibilities yet limits resources of the Commission.

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<sup>2</sup> Consolidated Appropriations Act, 2023, Pub. L. No. 117–328; Consolidated Appropriations Act, 2022, Pub. L. No. 117–103.

<sup>3</sup> Other federal agencies have roles in regulating or supporting U.S. campaigns or federal elections.

Congressional Research Service, *Federal Role in U.S. Campaigns and Elections: An Overview* (September 2018).

<sup>4</sup> Help America Vote Act of 2002, Public Law 107–252 §§ 201.

<sup>5</sup> Help America Vote Act of 2002, Public Law 107–252 § 202.

<sup>6</sup> The federal fiscal year runs from October 1 to September 30.

<sup>7</sup> Voluntary Voting System Guidelines 2.0 are the most recent version of specifications and requirements against which voting systems can be tested to determine if they meet required standards. EAC adopted VVSG 2.0 in February 2021.



## Progress and Ongoing Work to Address the Challenge

EAC leadership remains committed to the responsible stewardship of federal taxpayer funds and providing support to states and territories in the administration of elections. To address the funding challenges and increased expectations, EAC reports it has used pilot initiatives to incrementally expand programs.

In response to stakeholders, the EAC Testing and Certification Program increased staff, hiring field auditors with a regional presence to report on anomalies in the field. EAC's request for funds in the *Fiscal Year 2024 Congressional Budget Justification* bolsters this with an additional request for field inspections of certified voting systems and post-manufacturing audits of voting system equipment via a Field Services Program. The program aims "to ensure configurations of fielded EAC certified systems are consistent with their scope of certification, gather anomaly reports from election officials, provide trainings, and perform site reviews."<sup>8</sup> This was initially included as a pilot program in the previous year's budget.

Similarly, the 2023 EAC budget request included a pilot testing program for electronic poll books, and the 2024 request asks for funds to establish a permanent program for testing and certifying electronic pollbooks.

EAC has taken steps to increase awareness of agency progress, including resuming in-person meetings for the three HAVA-mandated Federal Advisory Committee Act (FACA) boards.<sup>9</sup> In 2021, EAC also established the Local Leadership Council to get input from local election leaders across the country. EAC held an in-person Local Leadership Council meeting in the summer of 2023 to share and gather information.

## Work That Needs to Be Done

While EAC has taken steps to address this challenge, our work indicates there are still opportunities to assess risk and strategically align resources with the agency's mandate. EAC has used pilots to test programs, but needs to thoughtfully plan how pilots will be expanded, identify risks, and determine what additional resources are needed to fully transfer pilots to full programs. The agency's budget requests the EAC full-time equivalent personnel the agency needs to carry out its mission, but it does not distinguish by program.

OIG audited the EAC information security program for fiscal year 2023 and found that the Office of the Chief Information Officer did not fully implement its governance risk and compliance solution in accordance with federal guidance. The solution is to manage and monitor cybersecurity risk activities and provide a centralized enterprise-wide view of risk across EAC.<sup>10</sup>

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<sup>8</sup> EAC, [Fiscal Year 2024 Congressional Budget Justification](#).

<sup>9</sup> Help America Vote Act of 2002, Public Law 107-252 § 201.

<sup>10</sup> EAC OIG, [Audit of the U.S. Election Assistance Commission's Compliance with the Federal Information Security Modernization Act for Fiscal Year 2023](#) (O23HQ0029-23-07, August 2023).

Similarly, the recent testing and certification audit found that EAC had not conducted a formal risk assessment of the testing and certification program or established an enterprise risk management program for the agency in accordance with the U.S. Office of Management and Budget Circular No. A-123.<sup>11</sup> This management challenge is also contingent on external factors. To fully address the challenge, in addition to assessing risk and expectations, EAC must advocate for funding and determine if it would benefit from multi-year funding given election cycles, while continuing to demonstrate progress.

## **Attracting and Retaining a Highly Skilled Workforce**

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Federal standards require agencies to continually assess needs so its workforce has the required knowledge, skills, and abilities to achieve organizational goals. Federal regulations also require agencies to conduct formal workforce planning and, as part of that, agencies must “[e]nsure leadership continuity by implementing and evaluating recruitment, development, and succession plans for leadership positions.”<sup>12</sup>

The success of EAC’s mission relies on the Commission’s ability to attract and retain a highly skilled workforce, while having appropriate succession plans. However, EAC continues to face significant challenges in this area with turnover and vacancies in key positions.

### **Why is This a Challenge?**

EAC’s increased funding has been used for programmatic growth, without a corresponding expansion of its operational support functions. While EAC must continue to meet its obligations under HAVA, it must also meet the requirements and standards put forth for federal entities, despite being a small agency. Currently, this is hampered by HAVA’s executive salary caps and restrictions on the Commissioners.

**Small agency and increased administrative needs.** With the increase in funding and return to pre-pandemic travel levels, EAC has more administrative support needs than it did before. Meanwhile, it has no additional support staff. For example, a single employee is currently charged with responsibility for EAC’s administrative support, contract oversight, and human resources. These three critical functions have no segregation of duties or deputy positions to provide additional coverage and training. The result is that program staff are often pulled into ad hoc “other duties as assigned” to support travel and events such as board meetings and hearings. Further, the workload provides minimal time for professional development, with some employees saying they have been denied training.

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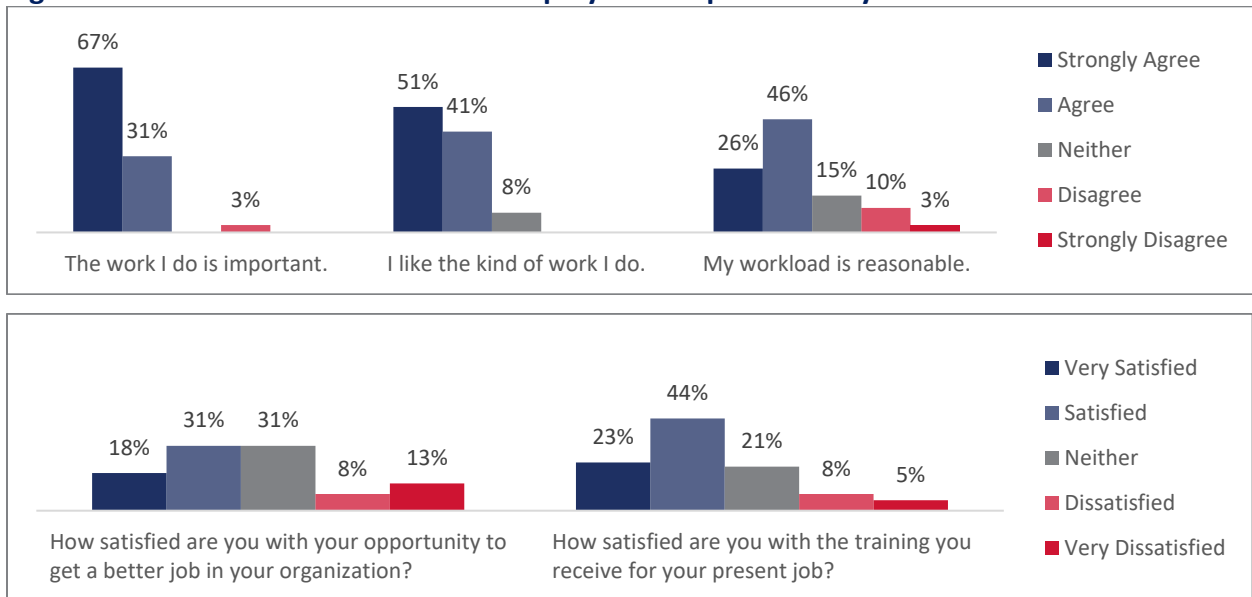
<sup>11</sup> EAC OIG, [Audit of the U.S. Election Assistance Commission’s Testing and Certification Program](#) (P22HQ0018-23-05, March 2023).

<sup>12</sup> 5 CFR 250.204.

**Organizational chart and succession planning.** For several years, EAC has operated without an approved organizational chart. The Commissioners had agreed upon an organizational chart early in 2023, but the new Executive Director wanted changes and agreement on them has not been reached. The current organizational chart notes that it is operational, but as of September 2023 it was still pending a final vote by the Commissioners.<sup>13</sup> While this does not impede the Commission’s operations, the lack of an organizational chart impacts the prospect of additional leadership opportunities, staff knowing reporting lines, and ensuring continuity of operations. Additionally, as of Spring 2023, the Chief Operating Officer role was no longer filled and there is little opportunity for advancement within EAC. Leadership notes that there has been a degradation of institutional knowledge as individuals leave the organization.

These factors impact morale and retention that was already a challenge, as reflected in the 2022 Federal Employee Viewpoint Survey results. The survey found an overwhelming 98 percent of staff responded that the work they do is important and there were no negative responses to the statement “I like the work I do.” However, 28 percent responded neutrally or negatively to whether the workload was reasonable. There was a 52 percent neutral or negative response to the question “How satisfied are you with your opportunity to get a better job in your organization?” For training satisfaction, 34 percent responded neutrally or negatively.

**Figure 1. Select Results From Federal Employee Viewpoint Survey Results**



Source: Office of Personnel Management, [Report 2022 EAC AES All Respondents.pdf](#)

**Vacancies and salary caps.** In February 2022, the General Counsel position became vacant, and the Acting General Counsel left in May 2023. EAC reports difficulty filling the position, mainly due to the salary cap. HAVA allows the Executive Director, General Counsel, and staff of the Commission to be appointed without adhering to competitive service restrictions, but they

<sup>13</sup> EAC, [Fiscal Year 2024 Congressional Budget Justification](#).

must not be paid more than the annual rate of basic pay for level V of the Executive Schedule,<sup>14</sup> or \$172,100 for 2023.<sup>15</sup>

According to EAC, salary caps continue to create a challenge in retaining employees who can leave for more money and career opportunities with other federal agencies, including election-related positions at the Cybersecurity and Infrastructure Security Agency (CISA). In addition to higher salaries, according to EAC, CISA can offer additional pay to employees regardless of position due to the cybersecurity role of the agency. Leadership reports that the salary cap is not comparable to other executive-level positions in the federal government, making recruitment and retention difficult.

EAC has also had challenges filling the Human Resources Manager position, which was advertised in August 2023. Without a Human Resources Manager, the agency struggles to address the factors identified in this management challenge.

**Commissioner salary restrictions.** EAC has four bipartisan Commissioner positions that are presidential appointments requiring Senate confirmation—among the most senior leadership positions in the federal government.<sup>16</sup> In accordance with HAVA, the Commissioners are compensated at the annual rate of basic pay for level IV of the Executive Schedule (one step higher than the Executive Director).<sup>17</sup> However, the Commissioners continue to be impacted by the U.S. Office of Personnel Management’s (OPM’s) pay freeze for senior political officials, resulting in them being compensated less than EAC directors after the directors receive annual bonuses.

Some Commissions have part-time Commissioners, but EAC Commissioners work full time with extensive travel across the nation to meet with election directors and speak at election conferences. The Commissioners also review the election resource materials EAC produces and vote to approve agency policies. With restrictions, some senior political officials can partake in other activities, but HAVA specifically states that the Commissioners may not engage in any other business, vocation, or employment while serving as a member of the Commission and requires Commissioners to terminate or liquidate any pre-existing business, vocation, or employment before sitting as a member of the Commission.<sup>18</sup> Even if allowed, doing so would be difficult given the Commissioners’ current workload. These restrictions limit the desirability of these positions nominated by the president and confirmed by the Senate, yet a quorum of Commissioners is critical to EAC’s functions and ensuring the agency remains bipartisan.

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<sup>14</sup> Help America Vote Act of 2022, Public Law 107-252 § 204.

<sup>15</sup> U.S. Office of Personnel Management, *Salary Table No. 2023-EX*, [SALARY TABLE 2023-EX \(opm.gov\)](#).

<sup>16</sup> Plum Book, [GPO-PLUMBOOK-2020.pdf \(govinfo.gov\)](#).

<sup>17</sup> Help America Vote Act of 2022, Public Law 107-252 § 203.

<sup>18</sup> Help America Vote Act of 2002, Public Law 107-252 § 203(d)(2).

## Progress and Ongoing Work to Address the Challenge

In February, EAC hired an Executive Director to lead agency operations. This person has been working to address HAVA pay caps, and reportedly received approval from OPM to offer critical pay to three positions: the Executive Director, General Counsel, and Chief Information Officer. Although the critical pay will be temporary, according to the Executive Director, it would supersede the restrictions in HAVA. Another way the Executive Director has been working to compensate staff is by getting waivers to provide significant bonuses to senior staff.

To address challenges with recruitment and retention, EAC has used remote work to attract and retain staff in key positions and has used recruiting services to help identify General Counsel applicants. Additionally, the agency is looking to establish a college tuition repayment program and leadership training opportunities to help with retention. EAC leaders report they have been successful in obtaining elections-related experts but have struggled to fill operational positions that require a greater knowledge of federal rules and regulations.

For the Commissioner pay freeze, EAC continues to participate in conversations with other Commissions and Congress to address the longstanding issue and determine a solution moving forward.

EAC is aware of the human resource challenges it faces and the 2024 budget justification includes a request for funds to be more forward-thinking and provide guidance on strategic and operational human capital management issues. The request included funding for supervisory training, workforce planning, OPM studies, and bringing more human resources in-house. Furthermore, the request highlights the goal of achieving the agency's diversity and inclusion initiatives. Positively, EAC has hired a Diversity, Equity, Inclusion, Accessibility and Equal Employment Opportunity Officer. Finally, EAC continues to propose legislative changes to modify HAVA restrictions that have made hiring and recruitment particularly difficult.

## Work That Needs to Be Done

Despite the limitations of HAVA and being a small agency, EAC still needs to strategically address its human resource challenges and appropriately staff positions with qualified personnel. OIG has seen an uptick in employee complaints related to the lack of having a qualified head of Human Resources and uncertainty about who to report employee issues to within the organization.

In December 2022, we alerted EAC that some contracts were not being executed in accordance with EAC policies, the Federal Acquisition Regulations System, and the Digital Accountability and Transparency Act of 2014. Specifically, we found an employee was signing contracts without Contracting Officer authority, ultimately making unauthorized commitments that must be ratified.<sup>19</sup>

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<sup>19</sup> EAC OIG, [Management Advisory 23-02: Procurement and Contracting Practices](#), December 2022.

Furthermore, a March 2023 OIG audit recommended that EAC utilize federal guidance to conduct a staffing assessment for the Testing and Certification Program. As part of this, we recommended that EAC consider what technical competencies are required for the team.<sup>20</sup> EAC could do this more broadly as it looks to expand the number of full-time employees and considers succession planning and training opportunities. We acknowledge that some of the limitations in HAVA associated with this challenge are beyond the agency’s control. To better understand the challenges the agency faces in this area, OIG has included an audit of EAC’s human resources in the 2024 Oversight Plan.<sup>21</sup>

## Coordinating to Meet Customer Service and Critical Infrastructure Goals

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HAVA mandates that the Commission serves as a national clearinghouse and resource for the compilation of information with respect to the administration of federal elections. However, EAC resources are voluntary for states to use, and each state has the jurisdiction to administer elections in accordance with state laws. EAC coordinates services with CISA to ensure election administrators have the security resources necessary to protect the U.S. election system, which was designated as critical infrastructure in 2017.

### Why is This a Challenge?

EAC has numerous stakeholders and partners, and for EAC to fulfill its role as a customer service agency supporting critical infrastructure, it must continue to navigate challenges related to partnerships and coordination efforts at the state and federal levels. Furthermore, in an increasingly partisan election atmosphere, it is important to have a commission that is bipartisan in both fact and appearance.

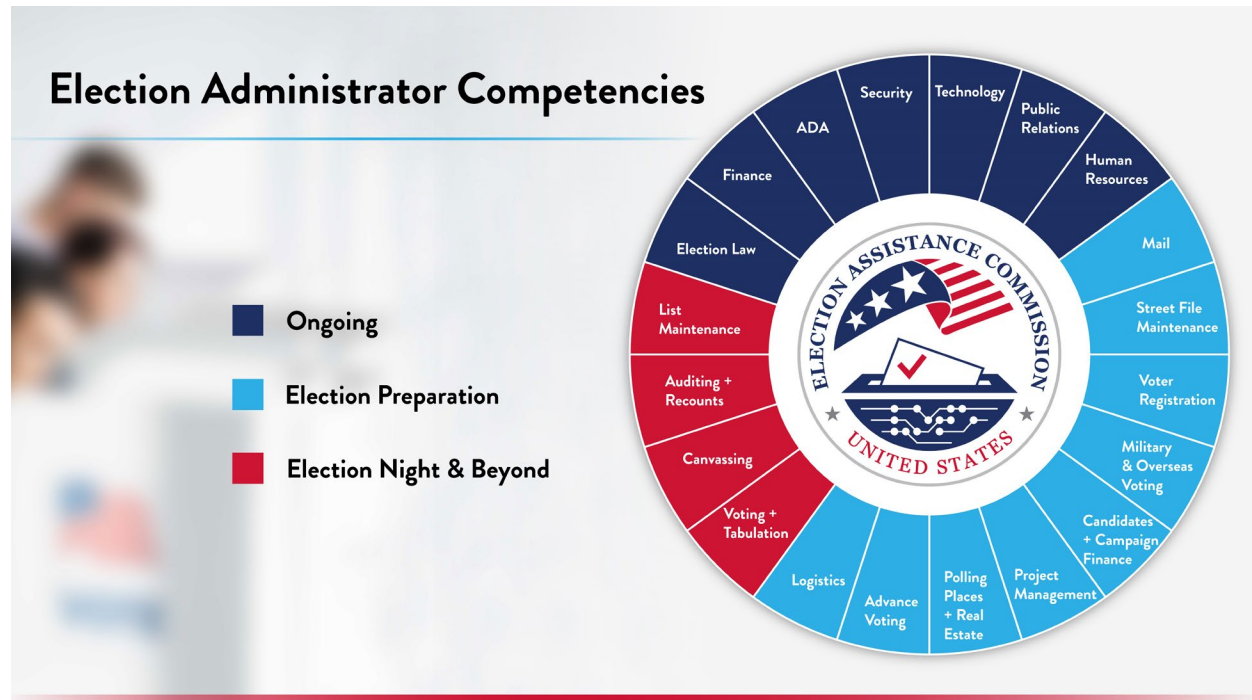
**State Coordination.** Election administrators across the nation make up one of EAC’s largest groups of stakeholders. EAC attempts to address the needs of states without interfering with the way each state runs its elections. As a result, EAC provides *voluntary* guidance documents, best practices, and toolkits on several topics to assist election administrators in achieving the necessary competencies to run effective elections, as shown in Figure 2. EAC leadership notes they are careful to ensure that EAC documents are presented with a neutral message.

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<sup>20</sup> EAC OIG, [Audit of the U.S. Election Assistance Commission’s Testing and Certification Program](#), (P22HQ0018-23-05, March 2023).

<sup>21</sup> EAC OIG, [Oversight Plan for Fiscal Year 2024](#).

Figure 2. Election Administrator Competencies



Source: EAC Communications Team.

As part of its state coordination efforts, EAC partners with the National Association of State Election Directors (NASD) and the National Association of Secretaries of State (NASS). In March 2023, NASD called on EAC to preempt misinformation and ensure public communications are unambiguous that voting systems certified to VVSG 1.0 remain federally certified.<sup>22</sup>

HAVA mandates that EAC compile and disseminate information on aspects of election administration and voting. One way EAC meets this mandate is by collecting information through the Election Administration and Voting Survey (EAVS) every 2 years; however, EAC continues to face challenges because it does not have an exemption from the Paperwork Reduction Act (PRA).<sup>23</sup> When the Federal Election Commission clearinghouse duties were transferred to EAC, the exemption to the PRA was not, making it a time-consuming process for EAC to make changes to the survey and to obtain data from local governments.

**Federal coordination.** The 2013 Presidential Policy Directive 21 (PPD-21) designated 16 critical infrastructure sectors, namely “systems and assets, whether physical or virtual, so vital to the United States that the incapacity or destruction of such systems and assets would have a debilitating impact on security, national economic security, national public health or safety, or any combination of those matters.”<sup>24</sup> In 2017, the Secretary of the Department of Homeland

<sup>22</sup> National Association of State Election Directors, [Letter to U.S. Election Assistance Commission](#).

<sup>23</sup> Pub. L. No. 96–511 (codified at 44 U.S.C. § 3501 et seq.).

<sup>24</sup> The White House, Office of the Press Secretary, *Presidential Policy Directive: Critical Infrastructure Security and Resilience* (PPD-21), February 12, 2013.



Security designated U.S. election systems as part of the nation’s critical infrastructure, under the Government Facilities Sector. The Election Infrastructure Subsector covers a range of assets, including facilities, polling places, centralized vote tabulation locations, registration databases, voting machines, and other systems.<sup>25</sup> The designation by DHS established elections systems as meeting the definition of critical infrastructure and being secured to safeguard the democratic process.

Other federal agencies have roles in elections, but EAC is responsible for the broad scope of improving election administration. CISA has a role as it relates to election security, as noted on the election wheel shown in Figure 2. Furthermore, CISA’s website notes the following roles and responsibilities: 1) physical security and cybersecurity of the systems and assets that support elections; 2) working collaboratively with state and local governments, election officials, federal partners, and private sector partners; and 3) providing resources on election security for the public and election officials to protect against new and evolving threats.<sup>26</sup>

EAC reports it has had challenges coordinating with CISA, particularly as CISA looks to expand its role in elections. EAC budgeted and recruited a field services team, reportedly sharing information with CISA and stakeholders throughout the process. Shortly after EAC onboarded staff, CISA announced it was hiring its own regional analysts. Not only does this compound EAC’s challenges with hiring and retention (as outlined in challenge 2), but it also presents issues of duplication and capacity since there is already a limited pool of election experts.

Historically, the U.S. Government Accountability Office (GAO) has noted that interagency coordination is a longstanding challenge in the federal government, particularly when agencies are coordinating crosscutting missions.<sup>27</sup> Recent GAO work highlights best practices for interagency working groups, such as defining outcomes; measuring performance and ensuring accountability; establishing leadership approaches; and using resources, such as funding, staff, and technology.<sup>28</sup>

As EAC works to provide customer service while navigating coordination challenges, it must also be bipartisan. The Chair and Vice Chair requirements in HAVA limit the ability for the Commission to demonstrate balance by requiring a Chair and Vice Chair be selected for a term of 1 year, and not be affiliated with the same political party. Currently, this means each year the Chair and Vice Chair rotate political parties and in the even years, or election years, one party always fills the Chair role.

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<sup>25</sup> U.S. Department of Homeland Security, “DHS Cybersecurity Services Catalog for Election Infrastructure.”

<sup>26</sup> CISA, [Election Security | Cybersecurity and Infrastructure Security Agency CISA](#).

<sup>27</sup> GAO, *Barriers to Interagency Coordination* (GGD-00-106, March 2000).

<sup>28</sup> GAO, *Implementation Approaches Used to Enhance Collaboration in Interagency Groups* (GAO-14-220, February 2014).



## Progress and Ongoing Work to Address the Challenge

EAC reports it continues to receive a positive response to its election resources. The Commissioners travel extensively to get feedback from election officials and EAC received welcome reactions to its Local Leadership Council meeting and new website redesign.

EAC also continues to request it be added to the list of PRA-exempt agencies. In lieu of an exemption, EAC reports it diligently plans work while accounting for delays related to the PRA and relies heavily on its advisory boards to willingly provide timely, anecdotal information.

Finally, EAC participates in the National Security Council and interagency council and task force meetings. EAC previously requested it be named as a Co-Sector Specific Agency and strives to share information, comment, and be included when election-related topics are discussed.

## Work That Needs to Be Done

Aspects of this challenge are largely out of EAC's control. To fully address the challenge, EAC must continue to work with its partners and advocate for an exemption to the PRA.

Additionally, EAC must continue to participate in federal working groups and meetings and advocate for employing best practices for interagency coordination.

## Providing Effective Oversight of Grantees

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EAC awards grants, provides guidance on the appropriate use of funds, and monitors how states and territories spend funds by reviewing financial and progress reports. From 2018 through 2020, EAC awarded \$805 million in federal funds to the 50 states, the District of Columbia, and 5 U.S. territories (American Samoa, the Commonwealth of Puerto Rico, Guam, the Northern Mariana Islands, and the United States Virgin Islands). In 2022 and 2023, EAC received \$75 million in grant funds each year to distribute to all 56 states and territories for election security.

## Why is This a Challenge?

EAC's ability to oversee grant funds continues to be hampered by grantee capacity and turnover in election offices. More recently, changing guidance and lack of definitions for allowable expenses have furthered this challenge.

- **Grantee capacity and turnover.** An April 2023 study found that there is significant turnover with local election officials. Furthermore, 74 percent of local election officials responded that their budgets needed to grow to meet administration and security needs.<sup>29</sup> HAVA grants are unique, and they have specific requirements that differ from other funds; for

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<sup>29</sup> Brennan Center for Justice, [Local Election Officials Survey – April 2023](#).

example, the grants have no expiration and are required to be put in a separate interest-bearing account. There are also significant reporting requirements (e.g., states were required to complete quarterly financial reporting and annual progress reporting for 2022 grants). With turnover, and election offices being underfunded, new election officials would benefit from technical assistance from the EAC Office of Grants Management (OGM) to better understand reporting requirements, ask questions, and request assistance.

- **Inconsistent guidance.** A 2022 GAO opinion concluded that EAC has wide discretion to determine how grantees can use HAVA funds when not explicitly prohibited by law.<sup>30</sup> EAC attempts to list information on allowable and unallowable HAVA expenses on its website via a frequently asked questions section, but in some instances the grantee contacts EAC directly to receive guidance that may differ from historical guidance provided. For example, the notice of grant award for the Coronavirus Aid, Relief, and Economic Security (CARES) Act required grantees to earn interest on funds, but EAC waived this requirement for 12 CARES Act grantees on the basis that there was conflicting guidance on whether this requirement applied to the CARES Act funds, and the fact that EAC’s accountants did not have the information they needed to calculate what the interest should have been in order to issue a bill of collection. Meanwhile, the states that earned interest by placing funds into interest-bearing accounts, as initially required, had to return to EAC the interest earned that was not spent. In another example, a state reported they communicated with EAC and received approval for an expenditure, but the EAC had no documentation of the approval.<sup>31</sup> Finally, in August 2022, EAC changed the standing guidance on matching requirements. New guidance states grantees must *obligate* funds necessary to meet the required match no later than 2 years from receiving the grant funds, where previously the match could be met during the life of the grant.<sup>32</sup> The changes in guidance make it challenging for EAC grant specialists and grantees.

These challenges are compounded by the grant office having relatively new staff. The most senior member of the team joined in January 2021. Often, a federal grants team consists of program officers who provide technical assistance and grant administrators; however, at EAC, staff fill both roles while also responding to inquiries from stakeholders.

### Progress and Ongoing Work to Address the Challenge

In FY 2023, EAC added staff to the Office of Grants Management, growing the team to six grant specialists. However, the Grants Director position has become vacant and was being advertised in August 2023.

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<sup>30</sup> Regarding the allowability of security services, the opinion found: “HAVA and the appropriations at issue do not explicitly authorize, nor do they explicitly prohibit, such expenditures. If not otherwise specified in law, an expense is authorized where it bears a reasonable, logical relationship to the purpose of the appropriation to be charged.” [B-333826, Election Assistance Commission—Use of Grant Funds for Security Services \(gao.gov\)](#).

<sup>31</sup> EAC OIG, [Audit of the Help America Vote Act Grants Awarded to the State of Alaska](#) (G22AK0020-23-06, August 2023).

<sup>32</sup> EAC Memo, “Guidance on Making Match: Consolidated Appropriations Act Language,” August 2022.

In FY 2021, EAC invested in a grants management system to automate its grant administration functions and it became operational in FY 2022. However, in FY 2023, EAC contracted for a new system that is in the process of being implemented. EAC is hopeful the new system will be easier for grantees to use.

To address the challenges related to inconsistent guidance, EAC's attorneys help OGM with interpreting relevant laws. However, as noted previously the General Counsel position has been vacant since February 2022 and the Acting General Counsel left EAC in May 2023.

### **Work That Needs to Be Done**

Our audits find that states generally accounted for HAVA funds in accordance with applicable requirements, accounted for and controlled property purchased, and used funds in a manner consistent with the informational plans they had submitted. However, we continue to have findings related to the federal financial reports not reconciling to the general ledger, and states lacking procedures to properly monitor inventory control and subrecipients (i.e., counties).<sup>33</sup>

EAC has made strides to build up its grant oversight, but there are still opportunities to provide more robust technical assistance to grantees. For example, the Northern Mariana Islands received funds for the first time in 2020 and had trouble meeting the reporting requirements and documentation required for federal grants.<sup>34</sup> OIG is committed to working with OGM to ensure states have the guidance they need and that they are responsibly using federal funds in accordance with laws and regulations.

There is also work to be done to offer more consistent and transparent guidance to grantees. Recently, we alerted EAC that unallowable activities may be occurring, and it may be inadvertently providing inconsistent guidance to grantees because it has not adopted its own definitions of "voter registration," "voter education," and "get-out-the-vote" (GOTV). HAVA also does not define the terms.<sup>35</sup> Communication showed that a grants contractor may have been providing email approval for the following as an allowable activity under HAVA grants: "adding additional staff and purchasing equipment such as laptops for outreach tables . . . to expand and increase the ability, and information related to registering/updating voter registrations." Finally, our risk assessment of EAC's grant closeout process found opportunities for EAC to improve consistency in the grant closeout process.<sup>36</sup>

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<sup>33</sup> EAC OIG, [Audit of the Help America Vote Act Grants Awarded to the State of Missouri](#) (G22MO0023-23-08, August 2023); EAC OIG, [Audit of the Help America Vote Act Grants Awarded to the State of Alaska](#) (G22AK0020-23-06, August 2023).

<sup>34</sup> EAC OIG, [Audit of the Help America Vote Act Grants Awarded to the Commonwealth of the Northern Mariana Islands](#) (G22MP0005-23-04, February 2023).

<sup>35</sup> EAC OIG, [Management Advisory 23-01: Define voter registration, voter education, and get-out-the-vote](#) (December 2022).

<sup>36</sup> EAC OIG, [Risk Assessment of the U.S. Election Assistance Commission's Grant Closeout Procedures](#) (O23HQ0046-23-10, September 2023).

# Strengthening Internal Controls

Internal controls are processes used by management to help an entity achieve its objectives; run its operations efficiently and effectively; report reliable information about its operations; and comply with applicable laws and regulations. Due to the critical importance of having strong internal controls and longstanding open recommendations related to records and policies, we have elevated this to a top management challenge facing the agency in 2024.

## Why is This a Challenge?

As a small agency with little depth, coupled with recent loss of institutional knowledge, EAC has an increased need for strong policies, complete records, and standard operating procedures. However, implementation of these efforts often falls to the wayside and operations are completed as they have historically been completed rather than ensuring compliance and keeping policies up to date. An OIG recommendation to enhance records management and documentation of policies and procedures has remained open since 2017.<sup>37</sup>

**Policies.** Many of EAC's policies are in draft or have not been fully updated and finalized. For example, OIG found that EAC contracts were not being executed in accordance with federal regulations and EAC procurement policies were in draft and not being used.<sup>38</sup> In other instances, EAC is operating without policies. EAC's recent FACA board costs were incurred without appropriate policies and procedures to ensure that federal regulations were followed, and costs were minimized, resulting in the agency paying \$110 for lunches and paying other costs above those allowable by federal regulations.<sup>39</sup> Finally, while EAC has a robust 2023 Grants Manual, the manual was in draft during our audit and we found the grant system user guide was not finalized despite the system being in use.<sup>40</sup>

**Records.** In 2008, GAO recommended EAC establish requirements for the adequate maintenance of records related to the Voting System Test Laboratories (VSTL) accreditation program. In response to this recommendation, EAC updated the VSTL program manual to include language that records shall be retained or disposed of consistent with federal statutes and regulations.<sup>41</sup> However, as of this publication, individual divisions at EAC had not yet updated their records disposition schedules.<sup>42</sup> Lastly, during an OIG risk assessment of EAC's

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<sup>37</sup> EAC OIG, [EAC Policy Review Final Report](#) (I-PA-EAC-03-17, August 2017).

<sup>38</sup> EAC OIG, [Management Advisory 23-02: Procurement and Contracting Practices](#), December 2022.

<sup>39</sup> EAC OIG, [Management Advisory 23-03: FACA Board Spending](#), July 2023.

<sup>40</sup> EAC OIG, [Risk Assessment of the U.S. Election Assistance Commission's Grant Closeout Procedures](#) (O23HQ0046-23-10, September 2023).

<sup>41</sup> GAO, [Federal Programs for Accrediting Laboratories That Test Voting Systems Need to Be Better Defined and Implemented](#) (GAO-08-770, September 2008).

<sup>42</sup> EAC OIG, [Audit of the U.S. Election Assistance Commission's Testing and Certification Program](#) (P22HQ0018-23-05, March 2023).

grant closeout process we had difficulty determining the effectiveness of the process because EAC staff was unable to identify and locate documents that predated their time with EAC.<sup>43</sup>

In September 2023, the U.S. Office of Government Ethics issued a report noting that EAC did not provide required annual ethics training to employees in 2022. Further, the EAC lacked policies around destruction of documents and EAC was unable to provide records of new employees receiving initial ethics training.<sup>44</sup>

### **Progress and Ongoing Work to Address the Challenge**

In 2022, EAC contracted a firm to establish policies and training for human resource functions, and in May 2022, EAC's Office of General Counsel completed a records policy in collaboration with the National Archives and Records Administration, establishing a commission-wide Records Management and Retention Policy.

EAC reports it onboarded a records specialist in September 2023 to help with the effort. The Records Management Specialist has prioritized ensuring that the EAC records schedules are up to date and consistent with guidelines and has been in regular communication with the Archivist.

EAC hired a Compliance Officer to assist the agency with meeting federal requirements and reports it is working to hire a Contracting Officer to ensure federal acquisition regulations are met.

### **Work That Needs to Be Done**

In addition to the specific areas noted, EAC needs to robustly consider how it can establish policies and update them in accordance with federal standards. Furthermore, EAC needs to implement its records management policy and create disposition schedules to ensure divisions are appropriately maintaining and disposing records.

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<sup>43</sup> EAC OIG, [Risk Assessment of the U.S. Election Assistance Commission's Grant Closeout Procedures](#) (O23HQ0046-23-10, September 2023).

<sup>44</sup> United States Office of Government Ethics, [Ethics Program Inspection Report](#) (23-511, September 2023).



U.S. Election Assistance Commission  
633 3rd Street NW, Suite 200  
Washington, DC 20001

**DATE:** November 7, 2023  
**TO:** Brianna Schletz, U.S. EAC Inspector General  
**FROM:** Steven Frid, U.S. EAC Executive Director *SF*  
**RE:** Response to Inspector General's Statement Summarizing the Major Management and Performance Challenges Facing the U.S. Election Assistance Commission for Fiscal Year 2024

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The Election Assistance Commission (EAC) agrees with the top management challenges presented by the EAC Inspector General, and thanks the Inspector General for highlighting these important matters. Specifically, the EAC is grateful that the Inspector General included context for the challenges and focused on those areas that most impact the agency's ability to help election officials improve the administration of elections and help Americans participate in the voting process. The EAC shall utilize the Inspector General's Statement to implement better customer service and continue to fulfill the Commission's mandate to the American public and the democratic process.

As noted in the Inspector General's statement, there continues to be growing needs in the election community, driven by increased interest in elections and intensified demand on election workers. Through the implementation of Help America Vote Act (HAVA) requirements, the EAC stands prepared to mitigate these needs as a federal partner in election administration. The Inspector General also astutely notes that the U.S. election system is impacted by resource and staffing shortages and emerging risks such as artificial intelligence. To address this, EAC will continue to increase Commission support to states and localities by adding new staff, piloting new programs, developing new resources and increasing awareness of agency progress. Strong partnerships at the Federal, state, and local level will continue to assist the EAC in remaining agile in addressing these new and emerging risks.

The EAC appreciates the Inspector General highlighting the appropriations process, as the EAC has diligently worked to align resources with mandates while also assessing expectations and risk. The Commission has also used, and will continue to use, an increased budget and staff to further build out internal controls. Additionally, the EAC believes that lifting the pay cap restrictions would allow the agency to recruit and retain highly skilled employees, specifically cybersecurity experts and other election specialists. Retention of employees and Commissioners is especially critical in maintaining institutional knowledge. An exemption to the PRA would enable the agency to better understand and rapidly respond to the pressing needs of our stakeholders and provide increased oversight of grant funds.

The EAC looks forward to implementing the recommended steps identified in the Inspector General's statement and addressing these challenges to the extent possible absent Congressional action. The Commission is thankful to the Inspector General for her oversight and input on EAC operations.



Visit our website at [oig.eac.gov](https://oig.eac.gov).

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## **U.S. Election Assistance Commission**

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