



U.S. Election Assistance Commission

# Agency Financial Report

[WWW.EAC.GOV](http://WWW.EAC.GOV)

## 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 format 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) 2022 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 is available at [www.EAC.gov](http://www.EAC.gov).

## Message From The Chairman

The United States Election Assistance Commission (EAC) is an independent, bipartisan agency established by Congress in 2002 “to assist in the effective administration of Federal elections.” Throughout FY 2022, the EAC recognized the advancements made in elections and within the agency itself since this landmark legislation was passed 20 years ago.

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

In FY 2022, the EAC undertook numerous programs to advance the agency’s mission and meet goals set forth in the strategic plan. The EAC presents summarized performance data in this report and will provide more detailed data in conjunction with the FY 2022 Congressional Budget Justification.

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

- The EAC administers and manages the only national standard-setting program to build, test, and certify voting systems. As part of this work in FY 2022, the EAC continued the implementation process of the Voluntary Voting System Guidelines (VVSG) 2.0, including the approval of the Lifecycle Policy, working toward establishing an end-to-end cryptographic protocol evaluation plan, and advancing the accreditation process for Voting System Test Labs. These are critical steps for new voting systems to be manufactured and tested to these standards and implemented in polling places around the country.
- HAVA tasked the EAC with serving as a clearinghouse of election administration best practices. Through this role, the EAC provides resources for election officials and the public on pressing issues that impact their jurisdictions. In FY 2022, the EAC expanded the Clearinghouse team, established in late FY 2021, and produced numerous resources to help election officials implement best practices on election official security, election night reporting, the canvass, accessibility practices to serve voters with disabilities and language minority voters, and numerous other issues. The agency also utilized FY 2022 funding to expand into innovative research and training, including a partnership with the University of Rhode Island to simulate thousands of polling place scenarios to identify best practices.
- An important function of the EAC is the administration of federal HAVA grants. The EAC dispersed and administered \$75 million in HAVA grants in FY 2022, helping to provide direct assistance to election officials as they sought to administer free, fair, and accessible elections. The Grants team also implemented GrantSolutions. The program will allow the Grants Division to more rapidly respond to Congressional inquiries on funding, reduce grantee time spent on administrative activities, as well as increase transparency, accountability, and oversight for financial assistance funding.
- The Cyber Access and Security Program (CAS) advanced the agency’s internal security posture by establishing plans to move IT assets toward a zero-trust architecture. In service of our stakeholders, CAS worked to complete the first phase of an online election official portal that will be an innovative tool for the agency and election administrators, allowing them to share best practices and network across jurisdictions when it is launched in FY 2023.

## FY 2022 AGENCY FINANCIAL REPORT

The EAC is committed to serving as good stewards of the funding that we receive. As we look to build the programming and operations of the agency, we are mindful of centering the core functions of our mission and the critical national security role that the EAC plays within the nation's elections infrastructure. The agency is focused on providing resources and support to our stakeholders based on their evolving concerns and needs. As the EAC's Office of the Inspector General notes, the EAC faces management challenges stemming from continued underfunding and statutory limitations; but as this report will show, its staff has fulfilled the agency's mission despite those challenges.

While these highlights paint a vivid picture of the agency's work to advance our mission and operations, I hope the full range of programmatic accomplishments in FY 2022, as laid out in this report, make clear that the EAC is working continuously to provide high quality services to our stakeholders and the American public despite our small size.

We thank you for your interest in the EAC's mission and activities and are available to provide additional information at your request.

Sincerely,

A handwritten signature in blue ink that reads "Thomas Hicks".

Thomas Hicks  
Chairman  
United States Election Assistance Commission

# Table Of Contents

	Page
<b>SECTION I - Management Discussion and Analysis</b>	
I.A. Background, Vision, Mission, and Organizational Structure .....	7
Funding .....	10
Organization by Program .....	11
Organization Chart .....	14
I.B. Performance Goals, Objectives, and Results .....	15
How The EAC Assesses Performance .....	15
Accomplishments by Goal .....	15
FY 2022 Performance Summary .....	29
Portfolio Analysis .....	31
I.C. Financial Results .....	32
Budgetary Resources .....	32
Financial Position .....	32
Results of Operations .....	33
Limitations of the Financial Statements .....	33
I.D. Analysis of Controls, Management Systems, and Legal Compliance .....	34
Internal Control Environment .....	34
Federal Manager's Financial Integrity Act .....	34
Entity-Wide Security Program .....	34
Federal Information Security Management Act .....	35
Audit Follow-Up .....	35
Federal Financial Management Improvement Act .....	35
Accountability of Tax Dollars Act of 2002 .....	35
Inspector General Act Amendments of 1988 .....	35
Fraud Reduction Report .....	35
Grant Programs .....	39
Payment Integrity Information Act Reporting .....	39
Annual Assurance Statement on Internal Control .....	40
<b>SECTION II – Financial Section .....</b>	<b>41</b>
II.A. Inspector General's Assessment .....	42
II.B. Independent Auditor's Report .....	45
<b>SECTION III - Other Accompanying Information .....</b>	<b>84</b>
III.A. Summary of Financial Statement Audit and Management Assurances .....	85
III.B. Major Management and Performance Challenges Facing the EAC .....	86



Section 1

# 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) of 2002. The law recognized the need for states to invest in their election infrastructure and 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. The passage of the EAC's 2018-2022 Strategic Plan framed the mission and vision set out in the agency's 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 three federal advisory committees—the Standards Board, Board of Advisors, and Technical Guidelines Development Committee—guide the EAC. A fourth discretionary advisory board, the Local Leadership Council, was established in 2021 to provide additional guidance from local election administrators. Currently, there are four Commissioners. The EAC's statutory mission consists of:

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

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

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

In 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 fifty states, Guam, Puerto Rico, the U.S. Virgin Islands, American Samoa, and the District of Columbia on the EAC's behalf. The funds were distributed for activities to improve the administration of elections (HAVA Section 101) and replace punch cards and lever voting machines (Section 102).

The Senate confirmed four Commissioners in December 2003, and the EAC began operations in January 2004. The agency's 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, 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 agency's expanding responsibilities and lifted the full-time equivalent (FTE) staffing ceiling of 24. As of the end of FY 2021, the EAC had 46 FTE staff. Since its inception, the EAC has received \$2,606,150,000 in requirements payments; and \$25,550,000 in discretionary grant funds for poll workers, mock elections, election data collection, voting technology improvement research and equipment, pre-election logic and accuracy testing, and post-election verification. The EAC also tracks and provides technical assistance on the Section 101 funds to improve the administration of federal elections, 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 in formula grants to improve federal elections. Congress appropriated an additional \$75 million in election security formula grants in FY 2022. In FY 2020, Congress appropriated an additional \$400 million in grant funds to the EAC through the Coronavirus Aid, Relief, and Economic Security (CARES) Act to help states prevent, prepare for, and respond to the coronavirus for the 2020 federal election cycle.

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

## FY 2022 AGENCY FINANCIAL REPORT

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

### COVID-19 Activity

Beginning in March 2020, the EAC conducted all operations and activities remotely in response to the pandemic. Remote work continued due to the build out of a new Washington, DC based headquarters. Agency staff worked throughout FY 2022 to prepare the EAC's new office space for the eventual return to hybrid in-person operations. Agency management is currently drafting a return-to-work plan and anticipates the occupation of the DC headquarters in early FY 2023.

The EAC has continued to capitalize on virtual opportunities to serve election officials. Divisions have worked to expand resources available on the EAC's website and have continued to conduct virtual annual meetings, public hearings, interviews with election officials and stakeholders, and trainings. In FY 2022, the agency continues reporting for CARES grants and overseeing the return of the unused CARES grants from states that are sent to Treasury.

COVID-19 Activity Funded by DEF Code L, M, N, O, P, U, or V	FY 2022	FY 2021
<b>Budgetary Resources:</b> Unobligated (and unexpired) Balance Carried Forward from PY	0	0
New Budget Authority (+)	0	0
Rescissions (-)/Other Changes (+/-) to Budgetary Resources	0	0
Budgetary Resources Obligated (-)	0	0
<b>Budgetary Resources:</b> Ending Unobligated (and unexpired) Balance to be Carried Forward	0	0
<b>Outlays, Net (Total)</b>	<b>0</b>	<b>0</b>

## Funding

### EAC Appropriation History Fiscal Years 2003 – 2022

Fiscal Year	(in thousands)																				Total	
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022		
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>	
<b>Election Reform Program Grants</b>																						
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	880,000	
<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>3,500,150</b>	
<b>Election Data Collection Grants</b>																						
<b>Subtotal, Data Collection</b>							<b>10,000</b>														<b>10,000</b>	
<b>COVID-19 Response (CARES) Grants</b>																						
<b>Subtotal, COVID-19 Response (CARES)</b>																			<b>400,000</b>		<b>400,000</b>	
<b>EAC Salaries &amp; Expenses (S&amp;E)</b>																						
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	201,618	
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>	<b>11,037</b>	<b>10,000</b>	<b>10,000</b>	<b>9,600</b>	<b>9,600</b>	<b>10,100</b>	<b>9,200</b>	<b>15,171</b>	<b>17,000</b>	<b>20,000<sup>3</sup></b>	<b>249,506</b>	
<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>	<b>11,037</b>	<b>10,000</b>	<b>10,000</b>	<b>9,600</b>	<b>9,600</b>	<b>390,100</b>	<b>9,200</b>	<b>840,171</b>	<b>17,000</b>	<b>20,000</b>	<b>4,734,656</b>	

<sup>1</sup>Carried forward to FY 2005.<sup>2</sup>Includes \$481,092 transferred from the Federal Election Commission<sup>3</sup>Starting FY 2022, the annual NIST transfer 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. Following the descriptions is the 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 action to ensure coordination and integration of accessibility related program activities of each division including meetings and activities of EAC advisory boards.

### Subject Matter Experts

The Subject Matter Experts within the Clearinghouse Division:

- utilize years of experience running elections or working on focused elections work in areas including accessibility and language access to provide subject matter expert feedback to EAC staff across organizational lines, disciplines, and functions;
- work 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;
- support Commissioners in the management and function of FACA Boards; and
- represent 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 team within the Clearinghouse 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' 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; and
- provides editorial support, including press releases, speeches, and Congressional testimony.

**EAC.gov** is the agency's primary communications tool and contains thousands of documents and 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.

### Research

The Research team within the Clearinghouse 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 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 grants 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 (HAVA), 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's (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's life cycle.

The Testing and Certification (T&C) Division:

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

## Organizational Chart

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 2018 Strategic Plan as the programming during FY 2022 was developed and initially executed under the previous Strategic Plan. Following OMB-136, the performance goals and results align with the Statement of Net Cost.

### How The EAC Assesses Performance

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

#### Program Area: Clearinghouse

The Clearinghouse Division was formed in FY 2021 to provide subject matter expertise to support the agency's mission of providing best practices and guidance to EAC stakeholders including election officials at the state and local levels. Consisting of former election officials and experts on election law, accessibility, and design, the Clearinghouse Division has led the creation of timely guidance documents to address pressing issues in election administration including accessibility, audits, election security, in-person voting, language access, post-election canvass and certification activities, and communication. Following an agency reorganization, the Subject Matter Experts, Research, and Communications teams are all housed within the broader Clearinghouse Division.

#### Strategic Plan (2018-2022) Goals:

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

#### FY 2022 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 2022 allowed the EAC to expand its dedicated Clearinghouse Division in furtherance of HAVA's clearinghouse mandate. This division brings to the agency former election officials and experts on election law, accessibility, and design with over 30 years of election experience to assist in creating and distributing EAC products to improve the administration of American elections.

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

The escalation of threats to election officials and election workers is of great concern to election officials and the EAC. In late 2021, the EAC launched a dedicated webpage for security-related concerns: [Security Resources for Election Officials](#). This serves as a reference for election workers who may be facing personal threats in the workplace, including a [Personal Security for Election Officials Checklist](#), [Guidance for Removing PII](#) from internet searches, and an [Incident Response Checklist](#).

We regularly update this comprehensive resource to include information and best practices specific to the physical security of election and poll workers, information on submitting reports to law enforcement, helpful toolkits, and the most recent updates and resources from our federal partners.

Voters look to election officials for trusted information about election results and are often unfamiliar with the mechanics of election administration. How election officials display and communicate post-election activities can play a key role in facilitating public confidence in election outcomes. As public confidence in elections waned due to mis- and dis-information, the EAC dedicated resources to developing important guidance for the American public and election officials to combat this developing threat. This year, the EAC launched a dedicated [webpage](#) for election officials and voters with post-election resources including [Checklist for Securing Election Night Results Reporting](#), [Best Practices: Election Results Reporting](#), [Guide to the Canvass](#), [Guide to Election Certification](#), [Election Audits Across the United States](#), and [Communicating Election and Post-Election Processes Toolkit](#). Many of these tools are provided in formats that allow election offices to customize them with URLs, logos, and information specific to their states and jurisdictions. Through the development of these tools, the agency hopes to assist election officials in educating the public on the thorough and transparent process that leads to official election results.

The security of voting systems is essential to a trustworthy election. The EAC published several new resources, guides, and best practices to help election officials secure election systems and to help the public better understand the types of security measures used to secure election technology including [Voting System Security Measures](#), [Best Practices for Election Technology](#), [Guide to Geo-Enabled Elections](#), and the [Election Technology Security Icon Library](#) which is an interactive tool that displays election security measures organized by equipment type that can be found on the [EAC's website](#).

Through the addition of an accessibility expert, the agency is working to ensure that all EAC best practices and resources address the unique challenges of voters with disabilities and voters with language access needs. This year the EAC released [Best Practices for Accessible In-Person Voting](#), [Best Practices for Accessibility for Voting By Mail](#), and [Native American and Disability Access](#) as companions to the EAC [Best Practices: Accessible Voter Registration](#). These resources addressed the unique hurdles that voters with disabilities often face throughout the voting process and highlighted actionable steps that election officials can take to remove these barriers.

Furthering the EAC's dedication to promoting access for all voters, the EAC worked with a team of experienced researchers from Rutgers University to study how to better communicate with voters with disabilities, regardless of access to the internet. The study, "[Disability and the Voting Process, and the Digital Divide](#)," was released to the public in July 2022. The results of the study illuminate the longstanding and critical consequences of the digital divide between people with and without disabilities. Election officials can use the information in the study to help bridge the gap and ensure citizens with disabilities are able to obtain the information they need to fully participate in elections.

In December 2021, the Census announced 68 new jurisdictions that were required to provide language assistance under Section 203 of the Voting Rights Act (VRA). To help election officials prepare, develop and improve language access programs, the EAC revised its [webpage](#) dedicated to language access resources and published several new Clearinghouse resources including [Best Practices for Unwritten Languages](#), [Guide to Language Access and Accessibility](#), and [Language Access Program Checklist](#). In addition, the agency provided translations of the [National Mail Voter Registration Form](#), the

**Glossary of Election Terminology** of nearly 1,300 terms and phrases used in elections, and **Voting 101 Guides** in 21 languages. The EAC also compiled, designed, and published the first of its kind interactive map of every jurisdiction required to provide language assistance, that jurisdictions can use for networking when improving their language access programs.

The Clearinghouse Division revised and published the **Quick Start Guides** series, which includes 26 guides that summarize and highlight election administration information in the United States and worked with the University of Rhode Island to produce a **simulation video series** to help election officials to make decisions when addressing challenges in the voting experience. In addition, the Clearinghouse Division published **Voting Access for Native Americans Case Studies and Best Practices** which provides detailed background information, case studies, and best practices for providing voting information and services to these diverse communities. These resources are designed to be practical and applicable to jurisdictions regardless of their size and resources.

### 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 (2018-2022) Goals:

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

### FY 2022 Accomplishments

Throughout FY 2022, the communications team promoted the work of the EAC, new materials and research, and efforts to better serve the needs of elections officials. 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

Primaries started in March 2022 and continued through September. Throughout the year, the EAC worked to provide timely materials for election officials to assist with their immediate needs and for the general election and elections to come. As a trusted source of information, the EAC continued to update and improve its website with voting information and additional resources resulting in 2.1 million users on the website, with over 3.2 million page views. The EAC grew its social media community resulting in 12,800 Twitter followers, 5,261 Facebook likes, 919 Instagram followers, and 1,577 LinkedIn follows.

The EAC continued to host hearings, Board meetings, and forums virtually but hosted its first in-person event since February 2020 on September 1, 2022. 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 59 videos and virtual events resulting in almost 6,000 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, TGDC, and Local Leadership Council were all held virtually throughout FY 2022 as mandated by HAVA and the various boards charters. These meetings were live-streamed, and recordings are available on the EAC's YouTube channel.

Throughout FY 2022, the EAC worked on various steps toward implementation of the VVSG 2.0. During a virtual public meeting on April 5, the four EAC Commissioners unanimously approved the VVSG Lifecycle Policy as a critical part of this process. The lifecycle policy creates a transparent and predictable path for future updates to the VVSG and brings a new maturity to the process. This is a significant step in the implementation of the VVSG 2.0 and will let the standards evolve with the needs of election officials and future voting system technologies.

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.

The event consisted of four panels with state and local election officials, representatives from the federal government and other stakeholders participating in the discussions. Topics included public confidence in elections, security and technology in elections, current issues facing election administrations and election funding, and looking ahead to the next 20 years of elections under HAVA. Almost 100 people attended the event in person while many others viewed the live stream. The EAC published a series of [blog posts](#) that highlighted the main takeaways from the panelists' discussions.

In addition to regular public meetings, the EAC held several events expanding on new resources and agency-commissioned research. Public events, including virtual hearings and roundtable discussions, featured state and local election officials, federal partners, researchers, and subject matter experts. The EAC hosted two roundtable discussions: "Language Access Roundtable," and "Disability, the Voting Process, and the Digital Divide."

The EAC Commissioners recorded multiple series of interviews with election officials, partners, and subject matter experts. The result is an extensive library of 41 videos on best practices and lessons learned for election administration. The video series includes:

- [Hispanic Heritage Month](#)
- [Cybersecurity Awareness Month](#)
- [2020 Lessons Learned](#)
- [Native American Heritage Month](#)
- [Election Official Security](#)
- [Elections, Political Participation, and Black History Month](#)
- [Women in Elections](#)
- [Paper Supply Chain Challenges and Mitigation Strategies for Election Officials](#)
- [A Conversation about World War II Japanese-American Citizen Voting Rights](#)

The video, “Elections, Political Participation, and Black History Month,” featured a discussion and remarks from Assistant Attorney General Kristen Clarke from the U.S. Department of Justice, Commissioner Shana Broussard from the Federal Election Commission, Commissioner Debo Adegbile from the U.S. Commission on Civil Rights and Partner at WilmerHale, and Professor Spencer Overton from The George Washington University School of Law with EAC Commissioner Thomas Hicks.

Other videos included training for grants management and simulations on polling place consolidation.

### **National Poll Worker Recruitment Day and Help America Vote 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. The need for poll workers continued in 2022, and, based on feedback from election officials, the EAC held the second National Poll Worker Recruitment Day on January 15, 2022. As in 2020, the 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 January 15, the EAC worked to update the lookup tool hosted on HelpAmericaVote.gov with information about becoming a poll worker in specific 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.



State and Local Election Officials Make The EAC's 'Help America Vote Day' A Success!



After the success of National Poll Worker Recruitment Day in January, the EAC received feedback that election officials were still in need of help with recruitment efforts leading into the November election. In response, and in recognition of the 20<sup>th</sup> anniversary of the Help America Vote Act, the EAC designated August 16 as Help America Vote Day. This second day of action focused on poll worker recruitment and encouraged jurisdictions without a need for poll workers to use the day for voter education.

Both days of action garnered national attention and highlighted the need for poll workers across the United States. EAC Commissioners responded to press requests throughout the year to discuss the ongoing need as well as strategies to help with recruitment. The days of action once again 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 ensuring reporters had 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 2022, the communications team distributed 28 press releases and advisories, and generated over 8,050 press mentions in print and broadcast.

### ***Outreach to Election Officials***

The EAC continued to distribute the monthly newsletter which began in September 2020. Along with monthly updates to the distribution list made up of 4,400 state and local election officials, board members, stakeholders, and members of the public, the EAC also alerts readers about important events and resources. The Communications team is continually working to increase readership and usability of the newsletter to ensure it remains an effective communication tool.

### ***Clearinghouse Awards***

In April, the EAC announced the winners of the 2021 Clearinghouse Awards for Best Practices in Election Administration. The awards, also known as the Clearies, provide election offices across America an opportunity to share their innovative efforts and election administration successes. The Clearies further the EAC's responsibilities under HAVA to serve as a clearinghouse for election administration information.

Twenty jurisdictions were announced as winners and 14 jurisdictions were recognized with Honorable Mention awards.

In its fifth year, the award categories recognize innovation in election administration, improving voting accessibility for voters with disabilities, best practices in recruiting, training and retaining election workers, innovation in election cybersecurity and technology, and creative and original "I Voted" sticker design.

This year, the EAC Commissioners announced two new award categories honoring innovative programming developed by election official associations and successful Help America Vote Act (HAVA) grant initiatives. 2022 marks the 20th anniversary of the signing of HAVA, and the Commissioners hope to highlight the spirit of this landmark bipartisan legislation by recognizing innovative uses of HAVA funds. The prestigious new award will also help jurisdictions utilize these best practices to enhance future efforts.

### ***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, 2021. In June 2021, the EAC established the fourth advisory committee, the Local Leadership Council, which is 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 three statutory FACA Boards each held one annual meeting in FY22 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 meeting of the LLC also took place in FY 2022, and the EAC engaged directly with the LLC membership throughout the year to gain valuable insight on election administration issues.

**UPDATES & EVENTS**  
JUNE NEWSLETTER  
Guidance for Using HAVA Funds for Physical Security

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's 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 FY23.

### **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 currently comprised of two full-time attorneys who serve as the Chief FOIA Officer and FOIA Public Liaison. The Office of General Counsel received 194 FOIA requests and completed 72 FOIA requests during FY 2022. 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 six new proactive disclosures during FY 2022 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).

#### **Current Strategic Plan (2018-2022) Goals:**

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

### **FY 2022 Accomplishments**

In FY 2022, the EAC Finance Division successfully executed its highest operating budget since 2010, leaving less than one percent unobligated by year end, an obligation rate of 99.14% according to Treasury's financial system.

Additionally, in the spring of FY 2022, the Office of Management and Budget submitted to Congress its Fiscal Year 2023 Budget for the EAC which came in a \$280.1 million, including \$250 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.

This program primarily supports the strategic goals listed below:

**Strategic Goal 2:** Encourage improvements to election administration through the development and distribution of resources that assist election officials in modernizing American elections.

**Strategic Goal 3:** Create operational excellence throughout agency management and programming.

### FY 2022 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, and 2022 totaled \$880 million, \$380 million in 2018, \$425 million in 2020, and \$75 million in 2022. In FY 2022, 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 \$874,067,280. In FY 2022, 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 twice-a-year 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's 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 2022, the EAC continued the process with individual grantees to close out grants for which activities had concluded and financials were reconciled. The EAC closed 19 CARES grants in FY 2022 bringing the total closed to 45. 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 2022 totaled \$20,555,358.

#### **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 2022, the grants office monitored Section 251 Requirements Payment grants of \$1,776,009,184 to 33 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 2022, the grants office monitored Section 101 grants in the amount of \$158,254,010 to 19 states. EAC also closed five grants that were fully expended.

### **Agency Capacity Building**

The agency renewed its agreement to work with HHS for the negotiation of Indirect Cost Rate Agreement for its grantees in FY 2022. The agreement will not continue in FY 2023 due to capacity issues at HHS for this service. The agency will be preparing and training the Grants Management Specialists to respond to these requests in-house going forward.

The agency selected HHS’ GrantSolutions grants administration software as a service to improve and automate its grants administration functions so more time can be spent for strategic activities and technical support to grantees. Utilization of a grant system will reduce grantee time spent on administrative activities; freeing up staff time to execute and oversee grant activities. The GrantSolutions award management system will allow the EAC to standardize financial assistance management procedures and increase transparency, accountability, and oversight for financial assistance funding. With a grant system, staff can develop better technical assistance training for award management, best practices, audit readiness, and education on federal assistance grants administration. The EAC conducted a fit gap analysis with GrantSolutions in September 2021 to assess current business processes against system capabilities and options. The Grant Office worked on an accelerated timeline to onboard and manually migrate grants data to the system over the course of FY 2022. The EAC anticipates fully deploying the system in FY 2023 (November 1) ahead of the next annual report deadline of December 29, 2022.

### **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 2022, 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, 2021, was used to compile the annual grant expenditure report during FY 2022. The report is available on [www.EAC.gov](http://www.EAC.gov).

The EAC’s Inspector General audits the states’ use of the funds, and 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 2022, 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 Health and Human Services.

### **Program Area: Research**

The Research Division supports the agency's mission by providing useful resources that assist state and local election officials in administering elections and 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 (2018-2022) Goals:**

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

### **FY 2022 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.

At the end of FY 2021 and beginning of FY 2022, the EAC initiated a needs assessment review by interviewing 27 states about their experiences completing the 2020 EAVS and gathered input from participants for implementation in 2022. Usability testing of the survey instruments also continued in preparation for 2022. Through this user-centered testing, EAVS and Policy Survey navigation was evaluated by real users under the observation of a trained researcher to improve user experience. EAC continues to work to improve data quality of these survey instruments. In November 2021, the EAC published 56 state-by-state EAVS data briefs and an online data interactive. Both products help make EAVS data accessible to a wide audience and provide summaries of state- and jurisdiction-level data.

The EAC accepted public comments for the 2022 EAVS in early 2022, with public comment periods ending on January 28 and April 4. OMB approved the 2022 survey instruments on April 14. The EAC conducted usability testing of the 2022 Policy Survey data collection template with 7 states in July 2022 and testing of the 2022 EAVS data collection templates with 5 states in September 2022. In July-August 2022, the EAC conducted pre-survey outreach calls to new state Points of Contact (POCs) from 10 states for the 2022 EAVS. In July 2022, the EAC updated “*A Guide to the Election Administration and Voting Survey*” for the 2022 EAVS. At the end of FY 2022, the EAC began work on the first EAVS Glossary that will contain more than 130 terms and phrases used in the 2022 EAVS and Policy Survey and is designed to assist election officials in understanding the survey questions to providing data that are accurate and comprehensive, and to establish data consistency across states and jurisdictions. Five states were contacted on their feedback on select terms. The EAVS Glossary will be released early FY 2023.

The EAC reconstituted the Section A Working Group in FY 2022. The working group consisted of six state election officials, two local election officials, and two other elections experts. The group discussed potential question changes to be made to Section A of the 2024 EAVS. A report of their recommendations was published in July 2022 titled *Planned Changes to Section A of the 2024 Election Administration and Voting Survey (EAVS)*.

EAC research staff was able to respond to over 180 data and information requests from voters, election officials and researchers representing 36 states. Staff also conducted proactive analysis of EAVS data misuse in the news media, prepared fact-check briefs and developed presentations.

### **Conducting Original Research**

In FY 2022, the EAC contracted with the MIT’s Election Data and Science Lab to conduct a study that will assess and recommend changes to the EAVS Survey instruments. EAC staff contributed memos alongside academic researchers in January 2022 at the Southern Political Science Association annual meeting. These memos recommended changes and improvements to each section of the EAVS and will be used in the drafting of the final report by MIT. The report will be delivered to the EAC in early FY 2023.

At the end of FY 2022, the EAC commissioned three HAVA studies to be completed by Auburn University. The studies will cover 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 by the end of FY 2023.

### **Serving Voters**

In FY 2022, the EAC processed 10 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. This year, the EAC released new translations of the form, including Yup’ik, Navajo, and Apache languages, which marked the first dedicated expansion of the effort to serve Native American Communities. In FY 2022, the EAC completed the OMB renewal process for the form. The EAC understands it must not only help election officials improve the administration of their elections but must also directly help voters. Voter resources is one of the most frequently visited portions of the agency’s website. Voters can find a Voter’s Guide to Federal Elections, resources for overseas and military voters 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 (2018-2022) Goals:

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

### FY 2022 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 confirm 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. Once it is fully adopted, 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 2022, the Testing and Certification Division has continued to implement the new standard by working with NIST's NVLAP on assessments of the voting system test laboratories (VSTLs) to expand their accreditation scope for VVSG 2.0. A VVSG Lifecycle Policy has been published that will establish a regular update process for the VVSG and procedures for deprecation of older versions of the standard. Testing and Certification is also in the process of working with NIST on establishing an end-to-end cryptographic protocol evaluation plan.

In addition to the work on VVSG 2.0, the EAC's Testing and Certification program tested and certified 6 voting systems and 37 engineering change orders (ECOs). Currently there are 3 active voting system test campaigns.

The Testing and Certification Division is also working on developing a testing pilot program for election supporting technology. This initial pilot program will include standards for accessibility, usability, and security for electronic pollbooks. Draft requirements have been developed and circulated to stakeholders for feedback along with program processes and procedures. This program will be expanded in the future to other technologies such as voter registration databases and remote ballot delivery systems.

These ongoing, regular efforts to assist election officials are critical to the successful operation of the program. Thousands of election jurisdictions nationally are continually researching and procuring voting equipment, and the EAC's Testing and Certification Division helps them navigate this process with confidence.

### Program Area: Cyber Access and Security Program

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

#### Strategic Plan (2018-2022) Goals:

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

#### FY 2022 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 the 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 2022, the program brought additional focus to 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 onboarded with the CISA CDM program for automated reporting of vulnerability and remediation data.

The program also continued the build of a new online portal for election administrators to be able to share information and collaborate on topics relevant to voting administration. Phase 1 of this project was completed and included the basic infrastructure for the site such as user authentication, site structure, user support and ticketing system, data visualizations, and other building blocks.

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 the EAC's ability to achieve its mission, the focus of FY 2022 has been carrying out the strategies outlined in the agency's previous (2018-2022) and 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. The agency has also made progress on building operations to ensure compliance with all federal laws through programming and the addition of focused staff, including a newly established Compliance Officer.

### Strategic Plan (2018-2022) Goals:

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

### FY 2022 EAC Accomplishments

Administrative and HR policies and procedures are essential to running the day-to-day operations of the 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.

In order to improve operations, the Administrative Team has engaged in cross-office discussions to ensure the EAC staff, regardless of division, have a basic understanding of finance and internal control procedures as it applies to their programs and special projects. 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 discussions like this 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 2022, the EAC undertook a review and revisioning of the Administration Division and services to assure they meet 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 the EAC's needs.

In FY 2022, the EAC hired a HR specialist and a Compliance Officer to serve and support EAC staff. These key positions play 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 recruitments increased diversity in applicant pools and minorities now hold key positions among staff. The EAC has also established a presence amongst historically Black and Hispanic learning institutions. While pleased with the efforts to date, there is more work to be done. The FY 2023 budget includes funds to hire civil rights 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 2022 Performance Summary

The following table presents key EAC FY 2022 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>Distributed about 28 press releases.</p> <p>Generated about 15,400 print and broadcast press mentions.</p> <p>290 Facebook posts with over 293,000 impressions.</p> <p>441 Tweets with about 2.4 million impressions.</p> <p>Distributed monthly EAC newsletters to about 4,400 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 and Help America Vote Day.</p>
Produced 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, 2022.
Produced best practices and resource materials to assist election officials.	Output	<p>Topics include:</p> <ul style="list-style-type: none"> <li>• Polling Place Consolidation.</li> <li>• 26 revised Quick Start Guides on election administration topics.</li> <li>• Election Results, Canvass, and Certification.</li> <li>• Communicating Election and Post-Election Processes.</li> <li>• Accessible In-Person Voting and Voting by Mail.</li> <li>• Native American Voters and Disability Access.</li> <li>• Language Access Programs and Accessibility.</li> <li>• Voting System Security Measures.</li> <li>• Election Technology Security.</li> <li>• Election Official Security.</li> <li>• Incident Response and Personal Security for Election Officials Checklists.</li> <li>• Voting 101.</li> <li>• Paper Supply Chain Risk Management.</li> <li>• Geo-enabling Elections.</li> </ul>

## FY 2022 AGENCY FINANCIAL REPORT

<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.
Modernize and automate the administration of grants at EAC.	Output	Completed process to identify fit and gaps in EAC grant administration business processes by mapping them to the Grants Management Module (GMM) in Grant Solutions. Performed manual data migration of grantee awards and reports. Completed 90% of onboarding in FY 2022.
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	The EAC is compliant with requirements to post grant funding in USA Spending and has updated policies and procedures for submission of the data.
Training and Technical Assistance.	Output	Provided training and technical assistance over email, phone, webinars, and written guidance in the form of Frequently Asked Questions and online guidance.
<b>Program Area: Research</b>		
Effectively and efficiently distribute federal resources to EAC stakeholders.	Output	Updated 10 state requests to the NVRA form.  Updated EAVS Policy Guide for the 2022 EAVS.  Published Section of Working Group recommendations for the 2024 EAVS.  Commissioned 3 original research studies.  Published state-by-state data briefs and an online data interactive of 2020 EAVS data.
Serve as an expert on the administration of American elections.	Output	Performed EAVS data fact checks originating from press requests and inquiries from the general public.

<b>Program Area: Testing and Certification</b>		
Test and certify voting systems.	Output	Certified 6 voting systems with 3 currently in progress.  Approved 37 engineering change orders (ECOs).
Produce voting system guidance for use in the field.	Output	Published updates to VVSG 2.0 test assertions. Published a VVSG Lifecycle policy based on feedback from EAC FACA boards and public comments.
<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. Additionally, the EAC joined the CISA CDM program to provide automated reporting of vulnerability and remediation data to the federal dashboard.
Continue to modernize EAC IT infrastructure.	Output	The EAC continued building a portal for election administrators that will enable collaboration and information sharing between state, local, territorial, and tribal officials. The EAC improved its endpoint management capabilities with 100% coverage of all endpoints and began rolling out improved security baselines for all workstations.
Provide support to other EAC departments.	Output	The office of the Chief Information Officer personnel provided critical support toward advancing VVSG 2.0 implementation, creating requirements for e-poll book pilot testing, and supporting clearinghouse releases with technical review and guidance.

## 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 2022, the EAC received funds in the Salaries and Expenses (S&E) appropriation for \$20 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.

## 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 2021 to FY 2022; 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 the 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.

The available budgetary resources in FY 2022 were \$95 million, up from \$17 million in FY 2021. In FY 2022, as mentioned previously, the EAC's appropriations totaled \$20 million for Salaries and Expenses, including \$1.5 million to NIST through the form of an interagency agreement.

Obligations Incurred increased from \$16.7 million in FY 2021 to \$95 million in FY 2022 (due to appropriation for grant funding). The Unobligated Balance – Apportioned decreased from \$1.2 million in FY 2021 to \$73 thousand in FY 2022.

### Financial Position

#### Assets

The EAC had \$83 million in total assets (Fund Balance with Treasury; Accounts Receivable; Property, Equipment, and Software; and Other Assets) as of September 30, 2022, compared to \$55.9 million in FY 2021.

#### Liabilities

The EAC had total liabilities (Accounts Payable, accrued salaries and benefits, and unfunded leave) of \$4,419,851 as of September 30, 2022. Liabilities increased to \$9,240,282 as of September 30, 2022.

#### Net Position

Net position (Unexpended Appropriations and Cumulative Results of Operations) increased from \$51.5 million in FY 2021, to \$73.7 million in FY 2022.

### Results of Operations

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

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 \$72.8 million in FY 2022, an increase from -\$24 million in FY 2021.

### **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 the 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

The EAC is subject to numerous legislative and regulatory requirements that promote and support effective internal controls. The 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.

The 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. The 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 (FMFIA)

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

### Entity-Wide Security Program

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

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

## Federal Information Security Management Act

The EAC was overall in compliance with the Federal Information Security Management Act at the end of FY 2022. The audit will be available on EAC's website.

## Audit Follow-Up

The 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. The 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 2022 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), the EAC is reporting on its fraud reduction efforts since the final quarter of FY 2022 in three key areas:

### *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.

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

Principle 8 of the Green Book requires agency management, “to consider the potential for fraud when identifying, analyzing, and responding to risks.” The Green Book defines fraud as “obtaining something of value through willful misrepresentation.” Historically, EAC has not experienced willful fraud. Management views the risk of fraud as minimal given the agency’s size, budget, existence of shared service providers, and a culture of zero tolerance for fraud. Further, management signed a document stating that they are not aware of instances of fraud in FY 2021.

The Green Book identifies three types of fraud:

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

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

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

The 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 as the financial staff at the EAC is 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 2022. 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.

### ***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. The 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. The 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 conflicts 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 both 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	0	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 the 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 within the AFR. Below is the link to both the paymentaccuracy.gov website and the corresponding site for data entry:  
[paymentaccuracy.gov](https://paymentaccuracy.gov) | FY22 Improper Payments Data Call (gsa.gov)

Additionally, the agency is on a three-year risk assessment cycle, but was found to be non-compliant with PIIA last fiscal year due to a technical error in omitting the paymentaccuracy.gov link in its FY 2021 Agency Financial Report.



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

## Annual Assurance Statement on Internal Control

November 15, 2022

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.

In FY 2022, the auditors found no material weaknesses or significant deficiencies in internal controls over financial management reporting. Further, the auditors found no instances of noncompliance with laws and regulations.

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

Thomas Hicks  
Chairman  
U.S. Election Assistance Commission



## Section 2

# Financial Section

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

### AUDIT OF THE U.S. ELECTION ASSISTANCE COMMISSION'S FINANCIAL STATEMENTS FOR FISCAL YEARS 2022 AND 2021

Report No. F22HQ0007-23-03  
November 14, 2022



# HIGHLIGHTS

Report No. F22HQ0007-23-03

November 14, 2022

## What OIG Audited

The Office of Inspector General, through the independent public accounting firm of Brown & Company CPAs and Management Consultants, PLLC, audited the U.S. Election Assistance Commission's (EAC's) financial statements for the fiscal years ended September 30, 2022, and September 30, 2021.

The audit included reporting on the 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.

## AUDIT OF EAC'S FINANCIAL STATEMENTS FOR FISCAL YEARS 2022 AND 2021

## 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, 2022, 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 audit did not identify any deficiencies in internal control over financial reporting that were considered to be material weaknesses or significant deficiencies.

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.

## What OIG Recommended

The audit did not identify any findings. Therefore, the Office of Inspector General made no recommendations.



## OFFICE OF INSPECTOR GENERAL

U.S. Election Assistance Commission

**DATE:** November 14, 2022

**TO:** U.S. Election Assistance Commission, Interim Executive Director, Mark Robbins

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

**SUBJECT:** Audit of the U.S. Election Assistance Commission's Financial Statements for Fiscal Years 2022 and 2021 (Report No. F22HQ0007-23-03)

We contracted with the independent public accounting firm of Brown & Company CPAs and Management Consultants, PLLC (Brown & Company) to audit the financial statements of U.S. Election Assistance Commission (EAC) as of and for the fiscal years ended September 30, 2022, and 2021, 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, Brown & Company reported:

- the financial statements are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles;
- no material weaknesses in internal control over financial reporting; and
- no reportable noncompliance with provisions of laws tested or other matters.

Brown & Company is responsible for the attached auditor's report dated November 14, 2022, 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.

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

## II.B. Independent Auditor's Report on the Financial Statements

UNITED STATES ELECTION ASSISTANCE COMMISSION

INDEPENDENT AUDITOR'S REPORT  
AND  
FINANCIAL STATEMENTS

FOR THE YEARS ENDED  
SEPTEMBER 30, 2022 AND 2021



Prepared By  
Brown & Company CPAs Management Consultants, PLLC  
November 14, 2022

**BROWN & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS AND MANAGEMENT CONSULTANTS, PLLC



## INDEPENDENT AUDITOR'S REPORT

Thomas Hicks, Chairman  
 Paul W. Repak, Director of Finance  
 U.S. Election Assistance Commission  
 Washington, D.C.

In our audits of the fiscal years 2022 and 2021 financial statements of the U.S. Election Assistance commission (EAC), we found:

- EAC's financial statements as of and for the fiscal years ended September 30, 2022, and 2021, are presented fairly, in all material respects, in accordance with United States of America (U.S.) generally accepted accounting principles;
- no material weaknesses in internal control over financial reporting based on the limited procedures we performed; and
- no reportable noncompliance with provisions of applicable laws, regulations, contracts, and grant agreements for fiscal year 2022.

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

### **Report on the Financial Statements**

#### Opinion

In accordance with the provisions of the Accountability of Tax Dollars Act of 2002 (ATDA) (Pub. L. No. 107-289), we have audited EAC's financial statements. EAC's financial statements comprise the balance sheets as of September 30, 2022, and 2021; the related statements of net cost, changes in net position, and budgetary resources for the fiscal years then ended; and the related notes to the financial statements. In our opinion, EAC's financial statements present fairly, in all material respects, EAC's financial position as of September 30, 2022, and 2021, and its net costs of operations, changes in net position, and budgetary resources for the fiscal years then ended in accordance with U.S. generally accepted accounting principles.

#### Basis for Opinion

We conducted our audits in accordance with U.S. generally accepted government auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit

---

<sup>1</sup> The RSI consists of Management's Discussion and Analysis and the Statement of Budgetary Resources, which are included with the financial statements.

<sup>2</sup> Other information consists of information included with the financial statements, other than the RSI, Financial section, and the auditor's report.

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.

#### Responsibility of Management for the Financial Statements

EAC's management is responsible for (1) the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; (2) preparing, measuring, and presenting the RSI in accordance with U.S. generally accepted accounting principles; (3) preparing and presenting other information included in EAC's financial statements, 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 Responsibility 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 of the financial statements conducted in accordance with U.S. generally accepted government auditing standards will always detect a material misstatement or a material weakness 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 U.S. generally accepted government auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures 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.
- Obtain an understanding of internal control relevant to our 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 over financial reporting. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Perform 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 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

U.S. generally accepted accounting principles issued by the Federal Accounting Standards Advisory Board (FASAB) require that the RSI be presented to supplement the financial statements. 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 the auditor's inquiries, the financial statements, and other knowledge we obtained during the audit of the financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

### Other Information

EAC's other information contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. Management is responsible for the other information included in EAC's financial statements. The other information comprises the information included in the annual report 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 exists 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 our 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>3</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 over financial reporting

---

<sup>3</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 attention by those charged with governance.

that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

#### 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, 2022, 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 inherent 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 2022 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

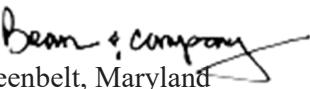
EAC management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to EAC.

### 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.

  
Greenbelt, Maryland  
November 14, 2022

**UNITED STATES ELECTION ASSISTANCE COMMISSION  
BALANCE SHEET  
AS OF SEPTEMBER 30, 2022 AND 2021  
(In Dollars)**

---

	2022	2021
<b>Assets:</b>		
Intragovernmental:		
Fund Balance with Treasury (Note 2)	\$ 81,819,235	\$ 55,161,357
Advances and Prepayments	541,032	541,032
Total Intragovernmental	82,360,267	55,702,389
Other than Intragovernmental:		
Accounts Receivable, Net (Note 3)	14,004	6,763
General Property, Plant, and Equipment, Net (Note 4)	600,096	235,181
Total Other than Intragovernmental	614,100	241,944
<b>Total Assets</b>	<b>\$ 82,974,367</b>	<b>\$ 55,944,333</b>
<b>Liabilities (Note 5):</b>		
Intragovernmental:		
Accounts Payable	\$ 743,892	\$ 310,663
Other Liabilities (Note 6)	44,430	104,799
Total Intragovernmental	788,322	415,462
Other than Intragovernmental:		
Accounts Payable	2,001,788	3,110,858
Federal Employee and Veteran Benefits Payable	402,436	403,231
Other Liabilities (Note 6)	6,047,736	490,300
Total Other than Intragovernmental	8,451,960	4,004,389
<b>Total Liabilities</b>	<b>\$ 9,240,282</b>	<b>\$ 4,419,851</b>
<b>Net Position:</b>		
Unexpended Appropriations - Funds from Other than Dedicated		
Collections	\$ 73,490,262	\$ 51,624,048
Total Unexpended Appropriations (Consolidated)	73,490,262	51,624,048
Cumulative Results of Operations - Funds from Other than Dedicated		
Collections	243,823	(99,566)
Total Cumulative Results of Operations (Consolidated)	243,823	(99,566)
<b>Total Net Position</b>	<b>\$ 73,734,085</b>	<b>\$ 51,524,482</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 82,974,367</b>	<b>\$ 55,944,333</b>

**UNITED STATES ELECTION ASSISTANCE COMMISSION  
STATEMENT OF NET COST  
FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021  
(In Dollars)**

---

	2022	2021
<b>Gross Program Costs (Note 9)</b>		
<b>Program A: Analyze</b>		
Gross Costs	\$ 3,452,728	\$ 2,381,378
Less: Earned Revenue		
<b>Net Program Costs</b>	<b>\$ 3,452,728</b>	<b>\$ 2,381,378</b>
<b>Program B: Build</b>		
Gross Costs	\$ 7,142,767	\$ 1,079,786
Less: Earned Revenue		
<b>Net Program Costs</b>	<b>\$ 7,142,767</b>	<b>\$ 1,079,786</b>
<b>Program C: Distribute</b>		
Gross Costs	\$ 46,692,855	\$ (27,699,649)
Less: Earned Revenue		
<b>Net Program Costs</b>	<b>\$ 46,692,855</b>	<b>\$ (27,699,649)</b>
<b>Program D: Operate</b>		
Gross Costs	\$ 15,500,890	\$ (52,476)
Less: Earned Revenue		(100)
<b>Net Program Costs</b>	<b>\$ 15,500,890</b>	<b>\$ (52,576)</b>
<b>Net Cost of Operations</b>	<b>\$ 72,789,240</b>	<b>\$ (24,291,061)</b>

**UNITED STATES ELECTION ASSISTANCE COMMISSION  
STATEMENT OF CHANGES IN NET POSITION  
FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021  
(In Dollars)**

---

	2022	2021
<b>Unexpended Appropriations:</b>		
Beginning Balance	\$ 51,624,048	\$ 12,373,070
Beginning Balance, as Adjusted	\$ 51,624,048	\$ 12,373,070
Appropriations Received	\$ 95,000,000	\$ 17,000,000
Appropriations Transferred-In/Out		(1,500,000)
Other Adjustments	(347,967)	(882,755)
Appropriations Used	(72,785,819)	24,633,733
Net Change in Unexpended Appropriations	21,866,214	39,250,978
<b>Total Unexpended Appropriations</b>	<b>\$ 73,490,262</b>	<b>\$ 51,624,048</b>
 <b>Cumulative Results of Operations:</b>		
Beginning Balance	\$ (99,566)	\$ (70,711)
Beginning Balance, as Adjusted	\$ (99,566)	\$ (70,711)
Appropriations Used	72,785,819	(24,633,733)
Imputed Financing (Note 10)	346,810	313,917
Other	(100)	
Net Cost of Operations	(72,789,240)	24,291,061
Net Change in Cumulative Results of Operations	343,389	(28,855)
<b>Total Cumulative Results of Operations</b>	<b>\$ 243,823</b>	<b>\$ (99,566)</b>
<b>Net Position</b>	<b>\$ 73,734,085</b>	<b>\$ 51,524,482</b>

**UNITED STATES ELECTION ASSISTANCE COMMISSION  
STATEMENT OF BUDGETARY RESOURCES  
FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021  
(In Dollars)**

---

	2022	2021
<b>Budgetary Resources:</b>		
Unobligated Balance From Prior Year Budget Authority, Net		
(Discretionary and Mandatory) (Note 11)	\$ 119,281,561	\$ 43,239,009
Appropriations	95,000,000	15,500,000
<b>Total Budgetary Resources</b>	<b>\$ 214,281,561</b>	<b>\$ 58,739,009</b>
<b>Status of Budgetary Resources:</b>		
New Obligations and Upward Adjustments (Total)	\$ 152,042,811	\$ 16,663,705
Unobligated Balance, End of Year:		
Apportioned, Unexpired Accounts	217,490	73,575
Unapportioned, Unexpired Accounts	3,629,837	3,629,836
Unexpired Unobligated Balance, End of Year	3,847,327	3,703,411
Expired Unobligated Balance, End of Year	58,391,423	38,371,893
Unobligated Balance, End of Year (Total)	62,238,750	42,075,304
<b>Total Budgetary Resources</b>	<b>\$ 214,281,561</b>	<b>\$ 58,739,009</b>
<b>Outlays, Net and Disbursements, Net:</b>		
Outlays, Net (Total)	\$ 67,994,154	\$ (26,138,472)
<b>Agency Outlays, Net</b>	<b>\$ 67,994,154</b>	<b>\$ (26,138,472)</b>

## A. Reporting Entity

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

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

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

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

General Funds are accounts used to record financial transactions arising under congressional appropriations or other authorizations to spend general revenues. 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 federal 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 FBWT to liquidate budgetary obligations, Treasury will finance the disbursements in the same way it finances all other disbursements, which is to borrow from the public if there is a budget deficit (and to use current receipts if there is a budget surplus). Funds are disbursed for the agency on demand.

#### E. Accounts Receivable

Accounts receivable consists of amounts owed to 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

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

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 and unemployment insurance.

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

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

#### M. Use of Estimates

The preparation of the accompanying financial statements in accordance with generally accepted accounting principles requires management to make certain estimates and assumptions that affect

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

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, 2022 and 2021, were as follows:

	2022	2021
<b>Status of Fund Balance With Treasury:</b>		
Unobligated Balance		
Available	\$ 217,490	\$ 73,574
Unavailable	62,021,259	42,001,730
Obligated Balance Not Yet Disbursed	19,580,486	13,086,053
<b>Total</b>	<b>\$ 81,819,235</b>	<b>\$ 55,161,357</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 (see also Note 12).

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

**NOTE 3. ACCOUNTS RECEIVABLE, NET**

Accounts receivable balances as of September 30, 2022 and 2021, were as follows:

	2022	2021
Intragovernmental		
Total Intragovernmental Accounts Receivable		
Other than Intragovernmental		
Accounts Receivable	\$ 14,004	\$ 6,763
Total Other than Intragovernmental Accounts Receivable	\$ 14,004	\$ 6,763
<b>Total Accounts Receivable</b>	<b>\$ 14,004</b>	<b>\$ 6,763</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, 2022 and 2021.

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

Schedule of General Property, Plant and Equipment, Net as of September 30, 2022 and 2021:

	Acquisition Cost	Accumulated Depreciation and Amortization	Net Book Value
<b>2022</b>			
<b>Property, Plant, and Equipment</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>
<b>2021</b>			
<b>Property, Plant, and Equipment</b>			
Buildings			
Furniture and Equipment	386,272	181,069	205,203
Software	32,119	2,141	29,978
<b>Total</b>	<b>\$ 418,391</b>	<b>\$ 183,210</b>	<b>\$ 235,181</b>

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

The liabilities for the EAC as of September 30, 2022 and 2021, 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.

	2022	2021
Intragovernmental-FECA		
Intragovernmental-Unemployment Insurance	1,198	
Unfunded Leave	363,503	341,510
Total Liabilities Not Covered by Budgetary Resources	\$ 364,701	\$ 341,510
Total Liabilities Covered by Budgetary Resources	8,870,005	4,078,341
Liabilities Not Requiring Budgetary Resources	5,576	-
<b>Total Liabilities</b>	<b>\$ 9,240,282</b>	<b>\$ 4,419,851</b>

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

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

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

## NOTE 6. OTHER LIABILITIES

Other liabilities account balances as of September 30, 2022 and 2021, were as follows:

	Current	Non-Current	Total
<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 Other Liabilities</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 Other Liabilities</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>

## 2021

Intragovernmental:			
Employer Contributions and Payroll Taxes Payable (without reciprocals)	\$ 34,656	\$	34,656
Employer Contributions and Payroll Taxes Payable	63,693	\$	63,693
Other Post Employment Benefits Due and Payable	6,450	\$	6,450
<b>Total Intragovernmental Other Liabilities</b>	<b>\$ 104,799</b>	<b>\$</b>	<b>104,799</b>

Other than Intragovernmental:			
Accrued Funded Payroll and Leave	\$ 463,560	\$	463,560
Other Liabilities w/Related Budgetary Obligations	26,740	\$	26,740
<b>Total Other than Intragovernmental Other Liabilities</b>	<b>\$ 490,300</b>	<b>\$</b>	<b>490,300</b>
<b>Total Other Liabilities</b>	<b>\$ 595,099</b>	<b>\$</b>	<b>595,099</b>

## NOTE 7. LEASES

### Operating Leases

In Fall 2020, the EAC relocated its current headquarters to 633 3<sup>rd</sup> St. NW. Washington, D.C. The EAC is currently operating under a 10-year lease, which includes delayed occupancy of the basement hearing room currently under construction. The effective occupancy date of that space is August 1, 2022 and the full occupancy agreement will be effective going forward after that.

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

Fiscal Year	Office Space	Total Federal
2023	\$ 710,592	\$ 710,592
2024	714,321	714,321
2025	718,129	718,129
2026	722,017	722,017
2027	725,986	725,986
After 2027	2,325,820	2,325,820
<b>Total Future Payments</b>	<b>\$ 5,916,865</b>	<b>\$ 5,916,865</b>

## NOTE 8. COMMITMENTS AND CONTINGENCIES

EAC did not have any material contingent liabilities that met disclosure requirements as of September 30, 2022 and 2021.

**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:

	2022	2021
Analyze		
Intragovernmental Costs	\$ 1,290,381	\$ 480,321
Public Costs	\$ 2,162,347	\$ 1,901,057
Less: Earned Revenue		
Total Costs	\$ 3,452,728	\$ 2,381,378
Build		
Intragovernmental Costs	\$ 1,510,780	\$ 584,659
Public Costs	\$ 5,631,987	\$ 495,127
Less: Earned Revenue		
Total Costs	\$ 7,142,767	\$ 1,079,786
Distribute		
Intragovernmental Costs	\$ 1,289,879	\$ 332,055
Public Costs	\$ 45,402,976	\$ (28,031,704)
Less: Earned Revenue		
Total Costs	\$ 46,692,855	\$ (27,699,649)
Operate		
Intragovernmental Costs	\$ 3,818,688	\$ 2,415,838
Public Costs	\$ 11,682,202	\$ (2,468,314)
Less: Earned Revenue		(100)
Total Costs	\$ 15,500,890	\$ (52,576)
Total Intragovernmental Costs	\$ 7,909,728	\$ 3,812,873
Total Public Costs	\$ 64,879,512	\$ (28,103,834)
Total Costs	\$ 72,789,240	\$ (24,290,961)
Less: Earned Revenue		\$ (100)
<b>Net Cost of Operations</b>	<b>\$ 72,789,240</b>	<b>\$ (24,291,061)</b>

## NOTE 10. INTER-ENTITY COSTS

The 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. The EAC recognizes as inter-entity costs the amount of accrued pension and post-retirement benefit expenses for current employees. The assets and liabilities associated with such benefits are the responsibility of the administering agency, OPM. For the periods ended September 30, 2022 and 2021, respectively, inter-entity costs were as follows:

	2022	2021
Office of Personnel Management	\$ 346,810	\$ 313,917
<b>Total Imputed Financing Sources</b>	<b>\$ 346,810</b>	<b>\$ 313,917</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, 2022, and 2021, consisted of the following:

	2022	2021
Unobligated Balance Brought Forward From Prior Year, October 1	\$ 42,075,304	\$ 5,866,979
Recoveries of Prior Year Obligations	77,554,224	38,254,786
Other Changes in Unobligated Balances	(347,967)	(882,756)
<b>Unobligated Balance From Prior Year Budget Authority, Net (Discretionary and Mandatory)</b>	<b>\$ 119,281,561</b>	<b>\$ 43,239,009</b>

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

As of September 30, 2022 and 2021, budgetary resources obligated for undelivered orders were as follows:

	Federal	Non-Federal	Total
<b>2022</b>			
Paid Undelivered Orders	\$ 541,032	\$ 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>
<b>2021</b>			
Paid Undelivered Orders	\$ 541,032	\$ 541,032	\$ 541,032
Unpaid Undelivered Orders	3,239,093	5,768,619	9,007,712
<b>Total Undelivered Orders</b>	<b>\$ 3,780,125</b>	<b>\$ 5,768,619</b>	<b>\$ 9,548,744</b>

## BUDGET OF THE U.S. GOVERNMENT

The President's Budget that will include fiscal year 2022 actual budgetary execution information has not yet been published. The President's Budget is scheduled for publication in February 2023 and can be found at the OMB Web site: <http://www.whitehouse.gov/omb/>. The 2023 Budget of the United States Government, with the "Actual" column completed for 2021, has been reconciled to the Statement of Budgetary Resources and there were no material differences.

In Millions

	Budgetary Resources	New Obligations & Upward Adjustments (Total)	Net Outlays
Combined Statement of Budgetary Resources	\$ 59	\$ 17	\$ (26)
Unobligated Balances Not Available	(39)		
Difference Due to Rounding		(1)	
<b>Budget of the U.S. Government</b>	<b>\$ 20</b>	<b>\$ 16</b>	<b>\$ (26)</b>

## NOTE 14. CUSTODIAL ACTIVITY

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 \$62 for the years ended September 30, 2022, and 2021, respectively.

## NOTE 15. RECONCILIATION OF NET COST TO NET OUTLAYS

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

Reconciliation of Net Cost to Net Outlays as of September 30, 2022:

	Intragovernmental	Other than Intragovernmental	Total
<b>Net Operating Cost</b>	<b>\$ 7,909,729</b>	<b>\$ 64,879,511</b>	<b>\$ 72,789,240</b>
<b>Components of Net Operating Cost Not Part of the Budgetary Outlays</b>			
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>
<b>Components of the Budget Outlays That Are Not Part of Net Operating Cost</b>			
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>\$ 457,739</b>	<b>\$ 457,739</b>	<b>\$ 457,739</b>
<b>Misc Items</b>			
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>
<b>Budgetary Agency Outlays, net (SBR 4210)</b>			
<b>Budgetary Agency Outlays, net</b>		<b>\$ 67,994,154</b>	

## Reconciliation of Net Cost to Net Outlays as of September 30, 2021:

	Intragovernmental	Intragovernmental	Other than	Total
Net Operating Cost	\$ 3,812,874	\$ (28,103,935)	\$ (24,291,061)	
<b>Components of Net Operating Cost Not Part of the Budgetary Outlays</b>				
Property, plant, and equipment depreciation expense		(60,455)		(60,455)
Property, plant, and equipment disposals and revaluations		(118,874)		(118,874)
<b>Increase/(Decrease) in Assets:</b>				
Accounts receivable, net			471	471
<b>(Increase)/Decrease in Liabilities:</b>				
Accounts payable	(212,183)	(1,040,899)		(1,253,082)
Federal employee and veteran benefits payable	-	(125,503)		(125,503)
Other liabilities	(19,280)	(176,428)		(195,708)
<b>Financing Sources:</b>				
Imputed cost	(313,917)			(313,917)
<b>Total Components of Net Operating Cost Not Part of the Budgetary Outlays</b>				
	\$ (545,380)	\$ (1,521,688)	\$ (2,067,068)	
<b>Components of the Budget Outlays That Are Not Part of Net Operating Cost</b>				
Acquisition of capital assets		219,557		219,557
<b>Total Components of the Budget Outlays That Are Not Part of Net Operating Cost</b>				
	\$ 219,557	\$ 219,557		
<b>Misc Items</b>				
Custodial/Non-exchange revenue	62	(62)		-
Non-entity activity	100			100
<b>Total Other Reconciling Items</b>	<b>\$ 162</b>	<b>\$ (62)</b>	<b>\$ 100</b>	
<b>Total Net Outlays (Calculated Total)</b>	<b>\$ 3,267,656</b>	<b>\$ (29,406,128)</b>	<b>\$ (26,138,472)</b>	
<b>Budgetary Agency Outlays, net (SBR 4210)</b>				
<b>Budgetary Agency Outlays, net</b>				<b>\$ (26,138,472)</b>

**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.

Budgetary Resources Received and Budgetary Resources Remaining as of September 30, 2022, and 2021:

	2022	2021
<b>COVID19 Activity Funded by DEF Code L M N O P U V</b>		
Budgetary Resources: Unobligated Balance Carried Forward from Prior Year	\$ 37,427,788	\$ -
Rescissions and Other Changes to Budgetary Resources	77,242,879	37,495,004
Budgetary Resources Obligated	(57,223,232)	(67,216)
Budgetary Resources: Ending Unobligated Balance to be Carried Forward	\$ 57,447,435	\$ 37,427,788
<b>Outlays, Net (Total)</b>	<b>\$ (20,292,640)</b>	<b>\$ (37,427,788)</b>



Visit our website at [eac.gov/inspector-general](http://eac.gov/inspector-general)

U.S. Election Assistance Commission  
Office of Inspector General  
633 3rd Street, NW, Second Floor  
Washington, DC 20001

**Report Waste, Fraud, and Abuse**  
[eacoig@eac.gov](mailto:eacoig@eac.gov) | [Online Complaint Form](#)



## ELECTION ASSISTANCE COMMISSION NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

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

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

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

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

General Funds are accounts used to record financial transactions arising under congressional appropriations or other authorizations to spend general revenues. 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 FBWT to liquidate budgetary obligations, Treasury will finance the disbursements in the same way it finances all other disbursements, which is to borrow from the public if there is a budget deficit (and to use current receipts if there is a budget surplus). Funds are disbursed for the agency on demand.

#### E. Accounts Receivable

Accounts receivable consists of amounts owed to 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 and unemployment insurance.

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

## M. Use of Estimates

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

## N. 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, 2022 and 2021, were as follows:

	2022	2021
<b>Status of Fund Balance With Treasury:</b>		
Unobligated		
Available	\$ 217,490	\$ 73,574
Unavailable	62,021,259	42,001,730
Obligated Balance Not Yet Disbursed	19,580,486	13,086,053
Total	\$ 81,819,235	\$ 55,161,357

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

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

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

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

### NOTE 3. ACCOUNTS RECEIVABLE, NET

Accounts receivable balances as of September 30, 2022 and 2021, were as follows:

	2022	2021
<b>Intragovernmental</b>		
Accounts Receivable	\$ -	\$ -
<b>Total Intragovernmental Accounts Receivable</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Other than Intragovernmental</b>		
Accounts Receivable	\$ 14,004	\$ 6,763
<b>Total Other than Intragovernmental Accounts Receivable</b>	<b>\$ 14,004</b>	<b>\$ 6,763</b>
<b>Total Accounts Receivable</b>	<b>\$ 14,004</b>	<b>\$ 6,763</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, 2022 and 2021.

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

Schedule of General Property, Plant and Equipment, Net as of September 30, 2022 and 2021:

	Acquisition Cost	Accumulated Depreciation and Amortization	Net Book Value
<b>2022</b>			
<b>Property, Plant, and Equipment</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>
<b>2021</b>			
<b>Property, Plant, and Equipment</b>			
Buildings	\$ -	\$ -	\$ -
Furniture and Equipment	386,272	181,069	205,203
Software	32,119	2,141	29,978
<b>Total</b>	<b>\$ 418,391</b>	<b>\$ 183,210</b>	<b>\$ 235,181</b>

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

The liabilities for the EAC as of September 30, 2022 and 2021, 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.

	2022	2021
Intragovernmental-Unemployment Insurance	1,198	-
Unfunded Leave	363,503	341,510
<b>Total Liabilities Not Covered by Budgetary Resources</b>	<b>\$ 364,701</b>	<b>\$ 341,510</b>
Total Liabilities Covered by Budgetary Resources	8,870,005	4,078,341
Liabilities Not Requiring Budgetary Resources	5,576	-
<b>Total Liabilities</b>	<b>\$ 9,240,282</b>	<b>\$ 4,419,851</b>

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

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

**NOTE 6. OTHER LIABILITIES**

Other liabilities account balances as of September 30, 2022 and 2021, were as follows:

	Current	Non-Current	Total
<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 Other Liabilities</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 Other Liabilities</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>
<b>2021</b>			
Intragovernmental:			
Employer Contributions and Payroll Taxes Payable (without reciprocals)	\$ 34,656	\$ -	\$ 34,656
Employer Contributions and Payroll Taxes Payable	63,693	-	63,693
Other Post Employment Benefits Due and Payable	6,450	-	6,450
<b>Total Intragovernmental Other Liabilities</b>	<b>\$ 104,799</b>	<b>\$ -</b>	<b>\$ 104,799</b>
Other than Intragovernmental:			
Accrued Funded Payroll and Leave	\$ 463,560	\$ -	\$ 463,560
Other Liabilities w/Related Budgetary Obligations	26,740	-	26,740
<b>Total Other than Intragovernmental Other Liabilities</b>	<b>\$ 490,300</b>	<b>\$ -</b>	<b>\$ 490,300</b>
<b>Total Other Liabilities</b>	<b>\$ 595,099</b>	<b>\$ -</b>	<b>\$ 595,099</b>

## NOTE 7. LEASES

### Operating Leases

In Fall 2020, the EAC relocated its current headquarters to 633 3<sup>rd</sup> St. NW, Washington, D.C. The EAC is currently operating under a 10-year lease, which includes delayed occupancy of the basement hearing room currently under construction. The effective occupancy date of that space is August 1, 2022 and the full occupancy agreement will be effective going forward after that.

	Office Space	Total Federal
<b>Fiscal Year</b>		
2023	\$ 710,592	\$ 710,592
2024	714,321	714,321
2025	718,129	718,129
2026	722,017	722,017
2027	725,986	725,986
After 2027	2,325,820	2,325,820
<b>Total Future Payments</b>	<b>\$ 5,916,865</b>	<b>\$ 5,916,865</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, 2022 and 2021.

**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:

	2022	2021
<b>Analyze</b>		
Intragovernmental Costs	\$ 1,290,381	\$ 480,321
Public Costs	2,162,347	1,901,057
Less: Earned Revenue	-	-
Total Costs	3,452,728	2,381,378
<b>Build</b>		
Intragovernmental Costs	\$ 1,510,780	\$ 584,659
Public Costs	5,631,987	495,127
Less: Earned Revenue	-	-
Total Costs	7,142,767	1,079,786
<b>Distribute</b>		
Intragovernmental Costs	\$ 1,289,879	\$ 332,055
Public Costs	45,402,976	(28,031,704)
Less: Earned Revenue	-	-
Total Costs	46,692,855	(27,699,649)
<b>Operate</b>		
Intragovernmental Costs	\$ 3,818,688	\$ 2,415,838
Public Costs	11,682,202	(2,468,314)
Less: Earned Revenue	-	(100)
Total Costs	15,500,890	(52,576)
	\$ 7,909,728	\$ 3,812,873
<b>Total Intragovernmental Costs</b>		
Total Public Costs	64,879,512	(28,103,834)
Total Costs	72,789,240	(24,290,961)
Less: Earned Revenue	-	(100)
<b>Net Cost of Operations</b>	<b>72,789,240</b>	<b>(24,291,061)</b>

**NOTE 10. INTER-ENTITY COSTS**

The 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. The EAC recognizes as inter-entity costs the amount of accrued pension and post-retirement benefit expenses for current employees. The assets and liabilities associated with such benefits are the responsibility of the administering agency, OPM. For the periods ended September 30, 2022 and 2021, respectively, inter-entity costs were as follows:

	2022	2021
Office of Personnel Management	\$ 346,810	\$ 313,917
Total Imputed Financing Sources	\$ 346,810	\$ 313,917

**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, 2022, and 2021, consisted of the following:

	2022	2021
Unobligated Balance Brought Forward From Prior Year, October 1	\$42,075,304	\$5,866,979
Recoveries of Prior Year Obligations	77,554,224	38,254,786
Other Changes in Unobligated Balances	(347,967)	(882,756)
<b>Unobligated Balance From Prior Year Budget Authority, Net (Discretionary and Mandatory)</b>	<b>\$119,281,561</b>	<b>\$43,239,009</b>

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

As of September 30, 2022 and 2021, budgetary resources obligated for undelivered orders were as follows:

	Federal	Non-Federal	Total
<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>
<b>2021</b>			
Paid Undelivered Orders	\$ 541,032	\$ -	\$ 541,032
Unpaid Undelivered Orders	3,239,093	5,768,619	9,007,712
<b>Total Undelivered Orders</b>	<b>\$ 3,780,125</b>	<b>\$ 5,768,619</b>	<b>\$ 9,548,744</b>

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

The President's Budget that will include fiscal year 2022 actual budgetary execution information has not yet been published. The President's Budget is scheduled for publication in February 2023 and can be found at the OMB Web site: <http://www.whitehouse.gov/omb/>. The 2023 Budget of

the United States Government, with the "Actual" column completed for 2021, 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	\$ 59	\$ 17	\$ -	\$ (26)
Unobligated Balances Not Available	(39)	-	-	-
Difference Due to Rounding	-	(1)	-	-
Budget of the U.S. Government	\$ 20	\$ 16	\$ -	\$ (26)

#### NOTE 14. CUSTODIAL ACTIVITY

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 \$62 for the years ended September 30, 2022, and 2021, respectively.

#### NOTE 15. RECONCILIATION OF NET COST TO NET OUTLAYS

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

Reconciliation of Net Cost to Net Outlays as of September 30, 2022:

	Other than Intragovernmental	Intragovernmental	Total
<b>Net Operating Cost</b>	<b>\$7,909,729</b>	<b>\$64,879,511</b>	<b>\$72,789,240</b>
<b>Components of Net Operating Cost Not Part of the Budgetary Outlays</b>			
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>
<b>Components of the Budget Outlays That Are Not Part of Net Operating Cost</b>			
Aquisition 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>
<b>Misc Items</b>			
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>
<b>Budgetary Agency Outlays, net (SBR 4210)</b>			
Budgetary Agency Outlays, net	\$ -	\$ -	\$67,994,154

Reconciliation of Net Cost to Net Outlays as of September 30, 2021:

	Other than Intragovernmental	Intragovernmental	Total
<b>Net Operating Cost</b>	<b>\$3,812,874</b>	<b>\$(28,103,935)</b>	<b>\$(24,291,061)</b>
<b>Components of Net Operating Cost Not Part of the Budgetary Outlays</b>			
Property, plant, and equipment depreciation expense	-	(60,455)	(60,455)
Property, plant, and equipment disposals and revaluations	-	(118,874)	(118,874)
<b>Increase/(Decrease) in Assets:</b>			
Accounts receivable, net	-	471	471
<b>(Increase)/Decrease in Liabilities:</b>			
Accounts payable	(212,183)	(1,040,899)	(1,253,082)
Federal employee and veteran benefits payable	-	(125,503)	(125,503)
Other liabilities	(19,280)	(176,428)	(195,708)
<b>Financing Sources:</b>			
Imputed cost	(313,917)	-	(313,917)
<b>Total Components of Net Operating Cost Not Part of the Budgetary Outlays</b>	<b>\$(545,380)</b>	<b>\$(1,521,688)</b>	<b>\$(2,067,068)</b>
<b>Components of the Budget Outlays That Are Not Part of Net Operating Cost</b>			
Aquisition of capital assets	-	219,557	219,557
<b>Total Components of the Budget Outlays That Are Not Part of Net Operating Cost</b>	<b>\$ -</b>	<b>\$219,557</b>	<b>\$219,557</b>
<b>Misc Items</b>			
Custodial/Non-exchange revenue	62	(62)	-
Non-entity activity	100	-	100
<b>Total Other Reconciling Items</b>	<b>162</b>	<b>(62)</b>	<b>100</b>
<b>Total Net Outlays (Calculated Total)</b>	<b>\$3,267,656</b>	<b>\$(29,406,128)</b>	<b>\$(26,138,472)</b>
<b>Budgetary Agency Outlays, net (SBR 4210)</b>			
Budgetary Agency Outlays, net	\$ -	\$ -	\$(26,138,472)

## 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.

Budgetary Resources Received and Budgetary Resources Remaining as of September 30, 2022 and 2021:

	2022	2021
<b>COVID19 Activity Funded by DEF Code L M N O P U V</b>		
Budgetary Resources: Unobligated Balance Carried Forward from Prior Year	\$ 37,427,788	\$ -
Rescissions and Other Changes to Budgetary Resources	77,242,879	37,495,004
Budgetary Resources Obligated	(57,223,232)	(67,216)
Budgetary Resources: Ending Unobligated Balance to be Carried Forward	\$ 57,447,435	\$ 37,427,788
Outlays, Net (Total)	\$ (20,292,640)	\$ (37,427,788)

In addition, this note should refer to other notes that discuss COVID-19 impacts. These could include, among others, the following notes: FWTB (Note 2), liabilities not covered by budgetary resources (Note 5), other liabilities (Note 6), commitments and contingencies (Note 8), inter-entity costs (Note 10), etc.



## Section 3

# Other Accompanying Information

## III.A. Summary Of Financial Statement Audit And Management Assurances

<b>SUMMARY OF FISCAL YEAR 2022 FINANCIAL STATEMENT AUDIT</b>					
<b>Audit Opinion</b>	<b>Unmodified</b>				
<b>Material Weaknesses</b>	<b>Beginning Balance</b>	<b>New</b>	<b>Resolved</b>	<b>Consolidated</b>	<b>Ending Balance</b>
Financial Accounting & Reporting	0				0
<b>Total Material Weaknesses</b>	<b>0</b>				<b>0</b>
<b>Summary of Management Assurances</b>					
<b>Statement of Assurance (FMFIA§ 2)</b>		<b>Unmodified</b>			
No.	Summary	Beginning Balance	New	Resolved	Consolidated
1	<b>Material Weaknesses (FMFIA§ 2)</b>	0			0
	<b>Total</b>	<b>0</b>			<b>0</b>

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

**MANAGEMENT CHALLENGES  
FOR THE U.S. ELECTION  
ASSISTANCE COMMISSION IN  
FISCAL YEAR 2023**



## Introduction

---

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 four challenges EAC must navigate to fully meet its mission:

- Addressing the Gap Between Expectations and Funding
- Attracting and Retaining a Highly Skilled Workforce
- Navigating Restrictions to Meet Customer Service and Critical Infrastructure Goals
- Providing Effective Oversight of Grantees

In this year's report, we have added significant 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 report includes a description of all four 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.

---

<sup>1</sup> The Reports Consolidation Act of 2000, § 3, Pub. L. 106-531 (amending 31 U.S.C. § 3516).

## Addressing the Gap Between Expectations and Funding

The Help America Vote Act (HAVA) was enacted in 2002 “to replace punch card voting systems” and establish the U.S. Election Assistance Commission (EAC). EAC was founded as an independent entity, charged with assisting in the administration of federal elections. HAVA authorized EAC to be appropriated for each of the fiscal years 2003 through 2005.<sup>2</sup> Today, EAC is the only federal agency with a specific mandate to help improve U.S. election administration.<sup>3</sup> Its fiscal year 2022 appropriation was \$18.5 million.<sup>4</sup>

In contrast to EAC’s \$18.5 million in salaries and expenses, the Federal Election Commission—charged with protecting the campaign finance process—had a fiscal year 2022 appropriation of \$74.5 million, over four times as much as EAC.

### Why is This a Challenge?

There has been an increased interest in elections and intensified demand on election workers. The U.S. election system has been impacted by physical and cybersecurity threats, misinformation, and supply chain challenges.<sup>5</sup> Despite the volatility of the environment, the EAC budget has increased marginally after comparably low funding from 2012 to 2019. In both 2021 and 2022, the budget showed an uptick from recent years, but still tracked with 2010 funding levels, as shown in Figure 1. Adjusting for inflation, the 2022 budget would be less than 2010 funding levels.<sup>6</sup>

**Figure 1. EAC Budget, 2010 – 2022 (\$ Millions)**



<sup>2</sup> Help America Vote Act of 2002, Public Law 107-252 § 201 and 210.

<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> Consolidated Appropriations Act, 2022, Public Law 117-103.

<sup>5</sup> [Election Infrastructure Subsector-Specific Plan: 2022 Status Update \(cisa.gov\)](#).

<sup>6</sup> According to the Bureau of Labor Statistics consumer price index, prices today are 1.37 times higher than average prices since 2010.

EAC's 47 staff members (including four bipartisan Commissioners) are responsible for the three main functions outlined in HAVA: (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>7</sup> With an increased interest in elections and the accompanying challenges, expectations for EAC have also increased. However, funding has not kept pace with the changes and staff are tasked with fulfilling increased program and support functions. For example, EAC reported an increase in Freedom of Information Act requests, lawsuits, media attention, and legislative proposals. In the absence of a dedicated legislative office, Office of General Counsel staff members are tracking over 100 bills related to elections, many that require EAC's feedback.

Stakeholders have also asked for EAC programs to expand. Most recently, EAC's Testing and Certification program, which is run by four full-time staff, has been called on to perform penetration testing on voting systems and to set up a regional audit function to report on anomalies in the field.<sup>8</sup> Related to national security, the office is also working to get voting system test labs accredited to new standards that increase cybersecurity and auditability of voting systems. The EAC Clearinghouse, responsible for compiling information and review of procedures related to the administration of federal elections, is regularly asked to gather information from states and territories or to produce material to help support election administrators. In another example, EAC's Grants Office's four employees act as both grant administrators and program managers for millions of dollars in grants across 56 recipients. Despite growing expectations from some stakeholders, EAC also faces the introduction of new bills, including one that outlines responsibilities and limits resources of the Commission.

### 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 reported it has proposed pilot initiatives to the Office of Management and Budget (OMB) to responsibly and incrementally expand programs. EAC's request for funds in the *Fiscal Year 2023 Congressional Budget Justification* includes a pilot testing program for electronic poll books, a new form of competitive Election Innovation Grant funding for states, piloting of an audit program for voting systems to include field inspections of certified voting systems, and post-manufacturing audits of voting system equipment.<sup>9</sup>

Additionally, EAC requested language be added to HAVA that authorizes the Commission to submit budget estimates, legislative recommendations, testimony, or legislative comments to Congress concurrently with the President and OMB.

<sup>7</sup> Help America Vote Act of 2002, Public Law 107-252 § 202.

<sup>8</sup> There are currently two vacancies in Testing and Certification and three people have been hired but not yet onboarded. The additional employees will bring the total to five, according to EAC.

<sup>9</sup> U.S. Election Assistance Commission, *Fiscal Year 2023 Congressional Budget Justification*, [US EAC - FY 2023 Congressional Budget Justification](#).

### Work that Needs to Be Done

This management challenge is largely contingent on external factors. To fully address the challenge, EAC must continue to advocate for funding, demonstrate progress, and work with stakeholders to manage expectations.

## Attracting and Retaining a Highly Skilled Workforce

---

Strategic human capital management is listed in the Government Accountability Office's (GAO) most recent list of areas at high risk for fraud, waste, abuse, or mismanagement in the federal government. The report notes that "mission-critical skills gaps both within federal agencies and across the federal workforce impede the government from effectively serving the public and achieving results."<sup>10</sup>

The success of EAC's mission relies on the Commission's ability to attract and retain a highly skilled workforce. However, as mentioned in the previous challenge, EAC has limited staff and a growing mandate, and conditions make this challenging to overcome.

### Why is This a Challenge?

In addition to meeting its obligations in HAVA, as a small agency, EAC still has the responsibilities of a large agency but with fewer resources to address Executive Orders and other federal requirements. EAC's executive salary caps and restrictions on the Commissioners further hamper the ability to recruit and retain employees.

**Small agency.** Losing even one employee can be critical for EAC since most departments average about four staff members. The lack of depth results in an increased need for strong policies, complete records, and standard operating procedures. However, implementation of these often falls to the wayside since the work of a small office is limited to ensuring operations occur, responding to ad hoc requests, and meeting deadlines. An OIG recommendation to enhance records management and documentation of policies and procedures has remained open since 2017.<sup>11</sup>

Furthermore, such departments provide little opportunity for advancement within EAC, and workload provides minimal time for professional development. These challenges impact morale and retention. Per EAC leadership, attrition often occurs, with staff leaving for opportunities with more growth.

---

<sup>10</sup> U.S. Government Accountability Office, *High-Risk Series: Dedicated Leadership Needed to Address Limited Progress in Most High-Risk Areas* (GAO-21-199SP), [gao.gov](https://www.gao.gov).

<sup>11</sup> U.S. Election Assistance Commission, Office of the Inspector General, *EAC Policy Review Final Report* (I-PA-EAC-03-17, August 2017).

**Vacancies and salary caps.** In February 2022, the EAC Executive Director and General Counsel positions became vacant, and EAC reports difficulty filling the positions mainly due to salary caps. HAVA allows the Executive Director, General Counsel, and staff of the Commission to be appointed without adhering to competitive service restrictions, but they must not be paid more than the annual rate of basic pay for level V of the Executive Schedule,<sup>12</sup> or \$165,300.<sup>13</sup> Additionally, there is a lack of Executive Director applicants who have both federal and elections experience.

According to EAC, such limitations create a challenge in retaining employees who can leave for more money and career opportunities with other federal agencies or for election-related positions at the Department of Homeland Security (DHS). Leadership reports that the salary cap is not comparable to other executive-level positions in the federal government, making recruitment difficult.

**Commissioner salary restrictions.** EAC has four bipartisan Commissioners that are, in accordance with HAVA, compensated at the annual rate of basic pay for level IV of the Executive Schedule (one step higher than the Executive Director).<sup>14</sup> However, the Commissioners continue to be impacted by the Office of Personnel Management pay freeze for senior political officials. 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. These restrictions limit the desirability of these presidentially nominated and Senate confirmed positions, yet a quorum of Commissioners is critical to EAC's functions.

### Progress and Ongoing Work to Address the Challenge

To ensure continuity and knowledge of federal operations, EAC hired an Interim Executive Director with decades of federal experience and previous EAC experience.<sup>15</sup> This person named a Chief Operating Officer (a position that had been vacant for years) and hired a Compliance Officer to ensure that if an Executive Director without federal experience is selected, the Chief Operating Officer and Compliance Officer can help with continuity of operations and adherence to federal requirements.

EAC has also been working to close a 2017 OIG recommendation on records management and policies and procedures documentation. EAC contracted a firm to establish policies and training for human resource functions, and EAC's Office of General Counsel completed a records policy in collaboration with the National Archives and Records Administration. Leadership is also hopeful that the hiring of the Compliance Officer will be pivotal in ensuring divisions establish and implement standard operating procedures.

---

<sup>12</sup> Help America Vote Act of 2022, Public Law 107-252 § 204.

<sup>13</sup> U.S. Office of Personnel Management, *Salary Table No. 2022-EX*, [SALARY TABLE 2022-EX \(opm.gov\)](https://www.opm.gov/policy-data-oversight/salary-tables/salary-table-no-2022-ex/).

<sup>14</sup> Help America Vote Act of 2022, Public Law 107-252 § 203.

<sup>15</sup> U.S. Election Assistance Commission, *About U.S. EAC*, <https://www.eac.gov/about/staff-directory/mark-robbins>.

To address challenges with recruitment and retention, EAC hired a Human Resources Manager, has used flexibilities such as remote work to attract and retain staff in key positions, and has used recruiting services to help identify Executive Director applicants. Finally, EAC continues to propose legislative changes to modify HAVA restrictions that make hiring and recruitment particularly difficult.

#### Work that Needs to Be Done

Despite the limitations of being a small agency, EAC needs to strategically address onboarding, training, and opportunities for career development and retention. Likewise, EAC must fully implement its new policies and procedures to mitigate the risks associated with a challenged workforce.

## Navigating Restrictions to Meet Customer Service and Critical Infrastructure Goals

---

EAC provides guidance and best practices to states and territories to assist in their administration of federal elections, acting as a customer service agency rather than a regulatory agency. HAVA mandates that the Commission serve as a national clearinghouse and resource for the compilation of information with respect to the administration of federal elections, but Section 209 is clear about the limitations on rulemaking.<sup>16</sup> As part of this role, EAC is a conduit for information to flow to state and local election officials, including information about the election system's place in the nation's critical infrastructure—a determination made in 2017.

#### Why is This a Challenge?

For EAC to fulfill its role as a customer service agency supporting critical infrastructure, it must continue to overcome challenges related to the Paperwork Reduction Act and federal coordination efforts.

**Paperwork Reduction Act of 1995.** When the Federal Election Commission clearinghouse duties were transferred to EAC, the exemption to the Paperwork Reduction Act (PRA) was not. The PRA requires an agency to submit a plan to OMB before collecting information from the public. Agencies must seek public comment on proposed collections through a 60-day notice before submission and certify to OMB that the proposed collection reduces the burden on respondents for local government and other small entities. The process takes approximately 6 to 9 months and is generally applicable when asking for the same information from 10 or more people or entities. HAVA mandates that EAC compile and disseminate information on aspects of election administration and voting. One way EAC collects information is through the Election

---

<sup>16</sup> Help America Vote Act of 2002, Public Law 107-252 § 202 and 209.

Administration and Voting Survey (EAVS) every 2 years, but because of the length of the PRA process, EAC is consistently undergoing some aspect of PRA, which hinders the effectiveness and ability to be agile when asking survey questions.

EAC has received positive feedback about its resources and guidance. For example, GAO completed a report on the state and local perspectives of election officials during the COVID-19 pandemic and found that nearly all states and some local jurisdictions that responded reported that they used EAC information resources and guidance during the pandemic. Nearly all states used information about CARES Act grants. Most states also reported finding EAC's information helpful during the 2020 elections.<sup>17</sup> Despite the positive feedback, EAC leadership stated the Clearinghouse and Research offices could provide even more timely resources and training to states if they did not face the restrictions of the PRA. Additionally, when EAC is asked by other federal stakeholders for input from states, it could more quickly and easily obtain the information if EAC had an exemption from the PRA.

**Critical infrastructure coordination responsibilities.** The 2013 Presidential Policy Directive 21 (PPD-21) designated 16 critical infrastructure sectors “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>18</sup> In 2017, the Secretary of DHS 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>19</sup> The designation by DHS established elections systems as meeting the definition of critical infrastructure and being secured to safeguard the democratic process.

Despite the designation, as a small agency, not everyone is familiar with EAC and its national security role in testing the nation’s voting systems. While other federal agencies are aware of one another’s roles in the elections space, other stakeholders and state entities may not be as familiar. For example, some leaders cited that EAC is not always invited to discussions. In one instance, legal reports were provided to DHS for comment when EAC had jurisdiction over the matter.

Historically, GAO has noted that interagency coordination is a longstanding challenge in the federal government, particularly when agencies are coordinating crosscutting missions.<sup>20</sup> More recent GAO work highlights best practices for interagency working groups such as defining

---

<sup>17</sup> U.S. Government Accountability Office, *State and Local Perspectives on Election Administration during the COVID-19 Pandemic* (GAO-22-104731, July 2022).

<sup>18</sup> The White House, Office of the Press Secretary, *Presidential Polity Directive: Critical Infrastructure Security and Resilience*, (PPD-21), February 12, 2013.

<sup>19</sup> U.S. Department of Homeland Security, “DHS Cybersecurity Services Catalog for Election Infrastructure.”

<sup>20</sup> U.S. Government Accountability Office, *Barriers to Interagency Coordination* (GGD-00-106, March 2000).

outcomes; measuring performance and ensuring accountability; establishing leadership approaches; and using resources, such as funding, staff, and technology.<sup>21</sup>

### Progress and Ongoing Work to Address the Challenge

EAC has requested 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. HAVA outlines three required boards to advise EAC: the Technical Guidelines Development Committee (TGDC), the Standards Board, and the Board of Advisors.<sup>22</sup> In 2021, EAC also established the Local Leadership Council to get input from local election leaders across the country.

After the designation of the election system as critical infrastructure, a Government Coordinating Council and Sector Coordinating Council were established. EAC participates in the councils and requested that DHS name EAC as a Co-Sector Specific Agency. In 2020, the Joint Election Infrastructure Subsector-Specific Plan was established and with the evolving threats to elections, the plan was updated in 2022. The mission, as stated in the 2022 plan, is "To coordinate efforts by state and local election officials, private sector and non-profit partners, and the Federal Government to manage risks and secure election infrastructure against new and evolving threats."<sup>23</sup> The plan describes task forces to address current issues. EAC reports it recently became an active participant in task force meetings and strives to comment and be included when election-related topics are discussed.

### Work that Needs to Be Done

This management challenge is largely contingent on external factors. To fully address the challenge, EAC must continue to advocate for an exemption to the PRA and inclusion in federal working groups. EAC also must advocate for employing best practices for interagency working groups.

## Providing Effective Oversight of Grantees

---

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 2010 until 2018, no new grant funding was made available through HAVA. From 2018 to 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

---

<sup>21</sup> U.S. Government Accountability Office, *Implementation Approaches Used to Enhance Collaboration in Interagency Groups* (GAO-14-220, February 2014).

<sup>22</sup> Help America Vote Act of 2002, Public Law 107-252 § 201.

<sup>23</sup> [Election Infrastructure Subsector-Specific Plan: 2022 Status Update \(cisa.gov\)](https://www.cisa.gov/election-infrastructure-subsector-specific-plan-2022-status-update).

Islands, and the United States Virgin Islands). In 2022, EAC received \$75 million in grant funds to distribute to all 56 states and territories for election security.

### Why is This a Challenge?

EAC's ability to obligate and oversee grant funds is influenced by several challenges:

- **Grant requirements.** EAC administers formula grants based on requirements that are set in HAVA Section 101(d). Formula grants are funding programs where grantees do not compete, even though they must apply and meet other specified requirements. States and territories are allotted a minimum amount, with remaining funds being allocated based on the percentage of voting age population in the state. Some HAVA funds remain available until expended. Others, such as the Coronavirus Aid, Relief, and Economic Security (CARES) Act funds, were available for a limited time.

Typically, the appropriations require EAC to distribute the funds within a certain number of days. For example, EAC was required to make the 2022 election security payments within 45 days of the appropriation.<sup>24</sup> The nature of the grants limit EAC's ability to assess a grantee's internal controls and ability to responsibly use federal funds for authorized purposes prior to disbursement.

- **Grantee capacity.** HAVA has specific requirements that differ from other funds; for example, the grants have no expiration and are required to be put in a separate interest-bearing account. There are also reporting requirements (e.g., states were required to complete quarterly financial reporting and annual progress reporting for 2022 grants). Until 2018, for 8 years, no HAVA funds were appropriated. Turnover at election offices and local levels, compounded by inconsistent funding levels, means the grants office spends a lot of time doing capacity building, reviewing, following up on mandatory reporting, and answering questions from grantees.
- **Stakeholder interest.** Stakeholders often inquire about how states are spending their grant money or why they are not spending their money. The grants office fields many requests for information but cannot easily obtain it due to PRA restrictions and the longtime absence of a grants management system.

These challenges are compounded by the grants office's small size. The office consists of a director, one part-time contractor, and three full-time staff. Often, a federal grants team consists of program officers that provide technical assistance and grant administrators; however, at EAC, staff fill both roles while also responding to inquiries from stakeholders.

---

<sup>24</sup> Consolidated Appropriations Act, 2022, Public Law 117-103.

### Progress and Ongoing Work to Address the Challenge

The grants office was made a standalone office, which reports to the EAC Executive Director, in FY 2021. EAC also invested in a grants management system in FY 2021 to automate its grant administration functions.

To address the challenges related to grants management, EAC has explored various avenues. For example, it withheld money to states that were not meeting federal reporting requirements, and even referred two states to be audited. Also, the *Fiscal Year 2023 Congressional Budget Justification* includes a request for a new form of competitive Election Innovation Grant funding for states that would allow the grants office to provide funds based on proposals evaluated on set criteria.<sup>25</sup> Due to challenges associated with HAVA grants having no expiration, EAC began doing administrative closeouts every 5 years to add another measure of oversight to the process.

### Work that Needs to Be Done

EAC has made strides to strengthen its grant oversight program, but there are still opportunities to improve. OIG's recent HAVA audit reports highlight the need for EAC's continued attention toward reviewing federal financial reports for accuracy and reconciliation to the general ledger, ensuring states are properly earning and reporting interest income on HAVA funds, and ensuring that states have procedures to properly monitor inventory control and subrecipients (i.e., counties).<sup>26</sup> OIG is committed to working with the grants office to hold accountable those states that are not filing required reports.

Additionally, GAO recommended that EAC assess its administration of CARES Act grants to document any lessons learned and, to the extent practicable, implement applicable lessons.<sup>27</sup> However, it remains important to emphasize that the PRA limits EAC's ability to timely collect feedback from grantees.

---

<sup>25</sup> U.S. Election Assistance Commission, *Fiscal Year 2023 Congressional Budget Justification*, [US EAC - FY 2023 Congressional Budget Justification](#).

<sup>26</sup> U.S. Election Assistance Commission, Office of the Inspector General, Audit of the Help America Vote Act Grants Awarded to the State of California (G22CA0009-23-01, October 2022); U.S. Election Assistance Commission, Office of the Inspector General, Audit of the Help America Vote Act Grants Awarded to the Commonwealth of Pennsylvania (G22PA0014-22-07, September 2022); U.S. Election Assistance Commission, Office of the Inspector General, Audit of the Help America Vote Act Grants Awarded to the State of Delaware (G22DE0010-22-06, September 2022); U.S. Election Assistance Commission, Office of the Inspector General, Audit of the Help America Vote Act Grants Awarded to the State of Washington (G22WA0015-22-04, September 2022); U.S. Election Assistance Commission, Office of the Inspector General, Audit of the Help America Vote Act Grants Awarded to the State of Indiana (G22IN0011-22-03, September 2022); U.S. Election Assistance Commission, Office of the Inspector General, Audit of the Help America Vote Act Grants Awarded to the State of Arizona (G22AZ0008-22-01, August 2022).

<sup>27</sup> U.S. Government Accountability Office, *Election Assistance Commission: Assessment of Lessons Learned Could Improve Grants Administration* (GAO-22-104313, November 2021).



Visit our website at [eac.gov/inspector-general](http://eac.gov/inspector-general)

U.S. Election Assistance Commission  
Office of Inspector General  
633 3rd Street, NW, Second Floor  
Washington, DC 20001

**Report Waste, Fraud, and Abuse**  
[eacoig@eac.gov](mailto:eacoig@eac.gov) | [Online Complaint Form](#)



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

**MEMORANDUM**

DATE: 10/25/2022

TO: Brianna Schletz, Inspector General

FROM: Mark A. Robbins, Interim Executive Director

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

A handwritten signature in black ink that reads "Mark A. Robbins".

The Election Assistance Commission (EAC) concurs with the top management challenges outlined by the EAC Inspector General. This report provides additional context to these challenges, and we appreciate the feedback and perspectives of the Inspector General on these important matters.

The challenges identified by the Inspector General continue to flow from the historical and continuing underfunding of the Commission and statutory limitations placed upon the agency. As noted in the report, the interest in, and complexity of, election administration has accelerated in recent years. The national security importance in the testing and protection of our voting systems has never been more elevated. Election officials face unprecedented challenges including physical threats, cybersecurity challenges, and an increasing level of mis-, dis-, and mal-information, among others. As the only federal agency focused solely on election administration, the EAC is committed to assisting election officials as they respond to this evolving landscape and prepare for the challenges to come. This necessitates that the agency remains agile, responsive, and on the cutting edge of election administration topics to address these emerging challenges and the growing needs of election officials in real time.

Despite the increasing importance and timeliness of the agency's work, the EAC has remained drastically underfunded leading to many of the challenges identified by the Inspector General. The Inspector General correctly notes that in comparison to similar federal agencies and historic EAC funding levels, the agency has seen no increase in funding from 2010 when factoring in inflation. Additional funding in line with other federal agencies would allow the EAC to recruit adequate staffing levels to serve all the agency's stakeholders including election officials, Congress, and the American public.

While an increase in funding would allow the agency to recruit more staff, the agency faces numerous statutory challenges in both retaining those employees and utilizing them to the greatest benefit of the agency's mission. The EAC is appreciative of the Inspector General's discussion of both the statutory pay-cap and Paperwork Reduction Act (PRA) restrictions placed upon the agency and the ramifications of those measures. The EAC believes that lifting the pay

cap restrictions would allow the agency to recruit and retain highly skilled employees. 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 is appreciative of the work of the Inspector General to identify and provide significant context for the underlying causes of the management challenges. The agency looks forward to implementing the recommended steps identified in this report and continuing to address these challenges to the extent possible absent Congressional action.



[WWW.EAC.GOV](http://WWW.EAC.GOV)