NATIONAL
ENDOWMENT
FOR THE
HUMANITIES

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PERFORMANCE & ACCOUNTABILITY REPORT

FISCAL YEAR 2019

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NATIONAL ENDOWMENT FOR THE HUMANITIES

Message from the Chairman

I am pleased to present the Performance and Accountability Report for the National Endowment for the Humanities (NEH) for fiscal year (FY) 2019. The report sets forth the agency's goals and objectives and summarizes our related accomplishments for the fiscal year just concluded. Also included in the report is information on the Endowment's finances and operations during the year.

NEH is an independent federal agency created by an act of Congress in 1965. The Endowment's overarching goal is to advance knowledge and understanding in the humanities in the United States. We are also committed to providing national leadership in promoting the humanities in American life. We do this by provide grants that encourage and support excellence in scholarship, education, and public programming in the humanities.

NEH's grant programs received more than 5,000 grant applications in FY 2019. These applications underwent a rigorous review process conducted by knowledgeable persons outside NEH who were asked for their judgments about the quality and significance of the proposed projects. Guided by the results of this review process, NEH awarded grants to more than 1,000 humanities projects FY 2019. The information contained in this report provides preliminary information about the work being undertaken by these grantees. This information in turn provides evidence of the value and importance of our programs for the American people.

The financial and performance data contained in this report are, to the best of my knowledge, reliable and complete. I can also state that the National Endowment for the Humanities is in compliance with the requirements of the Federal Managers' Financial Integrity Act of 1982. There are no material weaknesses to report.

Jon Parrish Peede
Chairman

I. Management's Discussion and Analysis

Mission and Organizational Structure

> The National Endowment for the Humanities serves and strengthens our nation by supporting high-quality projects and programs in the humanities and by making the humanities available to all Americans.
>
> --NEH Mission Statement

In the 1965 legislation that established the National Endowment for the Humanities (NEH), the Congress of the United States declared that "encouragement and support of national progress . . . in the humanities . . . , while primarily a matter of private and local initiative, is also an appropriate matter of concern to the Federal Government." Acknowledging the federal government's interest in "promoting progress in the humanities," Congress expressed this interest in a single, powerful observation: "Democracy demands wisdom and vision in its citizens." The Endowment helps Americans develop "wisdom and vision" by supporting humanities projects and programs that expand knowledge of history, thought, and culture. NEH provides grants to the nation's museums, archives, libraries, colleges, universities, and public television and radio stations, as well as other educational and cultural institutions. The agency also provides grants to individuals to undertake advanced research and scholarship in the humanities. NEH is a component of the U.S. Government, but for purposes of this report, is a stand-alone entity. There are no other component or subsidiary entities that are combined or consolidated for presentation in this document.

The agency's grant programs are organized into four divisions (Education Programs, Preservation and Access, who also oversees the agency's Challenge Grants program, Public Programs, and Research Programs) and two offices (Federal/State Partnership and Digital Humanities).

NEH is directed by a Chairman, who is appointed by the President of the United States and confirmed by the U.S. Senate for a term of four years. Jon Parrish Peede, who was nominated by President Trump in March of 2018 and confirmed by the Senate in April of 2018, serves as NEH's chairman.

Advising the Endowment's Chairman is the National Council on the Humanities, a board of 26 distinguished private citizens who are appointed by the President and confirmed by the Senate. National Council members serve staggered six-year terms.

NEH's grant programs received more than 5,000 applications in FY 2019. These applications were evaluated by knowledgeable persons outside NEH who were asked for their judgments about the quality and significance of the proposed projects. Almost 900 scholars, teachers, librarians and archivists, museum curators, documentary filmmakers, and other humanities professionals and experts served on the more than 225 panels NEH convened in FY 2019. . Panelists represent a diversity of disciplinary, institutional, regional, and cultural backgrounds. NEH staff assembles panelists' evaluations of the merits of grant applications and comment on matters of fact or significant issues that would otherwise be missing from the review. The

materials are then presented to the National Council on the Humanities, which meets three times each year to advise the Chairman of NEH. The Chairman takes into account all of the advice provided via the review process and, by law, is authorized to make the final decision about funding. In total, more than 1,000 humanities projects received direct funding from NEH in fiscal year 2019.

Highlights of Important Performance Goals and Results

In February 2018, the agency released its revised 2018-2022 strategic plan[1]. The strategic goals established in the plan place priorities on expanding access to the humanities for underserved communities and veterans, reducing bureaucracy, realigning agency activities to its founding legislation, and coordinating cultural initiatives within the federal government. These goals place emphasis on expanding access to humanities, streamlining administrative functions, and focusing resources toward other existing programs that support the goals outlined in the strategic plan, such as infrastructure grants. The offices and divisions that currently exist will support these new goals and their related awards, and they will continue to service, monitor and support awards already issued under the prior strategic plan. Because FY 2019 has only just concluded, NEH cannot report actual outcomes related to most of our grant-making activity during the year. This is because the vast majority of projects supported in any given year will not result in tangible outcomes by the completion of the grant period. For example, fellowships and stipends awarded to scholars to conduct advanced research in the humanities typically will not result in the publication of books or articles until five or more years after the grant period has ended. The outcomes of these grants will thus need to be accounted for in future performance and accountability reports.

The Statement of Net Cost (SNC), contained in section III of this report, provides cost information by responsibility segment, namely, the program offices and divisions within NEH, along with prior chairmen's initiatives. Multiple offices and divisions, and in some cases, all offices and divisions, have a role in each of the stated strategic goals in both the current and prior strategic plans. For example, strategic goal 2 "Simplify the NEH Grantee Experience" requires that all agency offices participate towards its achievement. For performance reporting purposes, the NEH measures its performance through a variety of qualitative and quantitative measures. These measures relate to performance goals established in the agency performance plan, but not by responsibility segment. As a result, a direct linkage from the responsibility segments listed in the SNC to the agency performance plan it is not possible.

The following table illustrates the current and prior strategic plan goals and the offices and divisions carrying out these goals.

[1] NEH's 2018-2023 Strategic Plan: https://www.neh.gov/sites/default/files/inline-files/strategic.plan_.2.9.18.fnl_.pdf

Offices and Divisions Responsible for Execution of Strategic Plan Goals

		Responsibility Segments in the Statement of Net Cost											
	Strategic Goal	Bridging Cultures[1]	Challenge Grants	Common Good[1]	Digital Humanities	Education	Federal/State Partnership	Preservation and Access	Program Development	Public Programs	Research	Treasury Funds	We the People[1]
Strategic Plan 2013-2017	Advance Knowledge and Understanding of the Humanities in the United States		✓		✓	✓	✓	✓		✓	✓	✓	
	To Provide National Leadership in Promoting the Humanities in American Life		✓		✓	✓	✓	✓		✓	✓	✓	
	To Enhance Quality of Service and Efficiency of Operations		✓		✓	✓	✓	✓	✓	✓	✓	✓	
Strategic Plan 2018-2022	Provide Opportunity and Access for All Americans to Pursue Knowledge in the Humanities					✓	✓			✓	✓		
	Simplify Grantee Experience		✓		✓	✓	✓	✓	✓	✓	✓	✓	
	Align Agency Activities with Founding Legislation and Administration Priorities		✓		✓	✓	✓	✓	✓	✓	✓	✓	
	Coordinate Federal Government-wide Cultural Initiatives				✓			✓	✓	✓	✓		

[1]Initiatives from prior chairmen that are no longer funded, but continue to report costs

For performance measuring purposes, we have been adapting elements of the new Performance Progress Report (PPR) format—a framework for grant-making agencies that was developed by a committee of the National Science and Technology Council under the supervision of the National Science Foundation. Starting in FY 2016 and continuing through this latest year, the Endowment established the PPR format in most of its grant categories. The outcome for this new format means that in the coming years this report will help us capture richer performance information from our grantees and import that information directly into our grants management system. We have also developed an in-house system, the eGMS reporting tool, for collecting information on the products and prizes that result from NEH grants. This system is helping the agency better understand the impact of our programs and initiatives.

Fiscal year 2019 brought NEH the second year of its Infrastructure and Capacity Building grants in the Challenge grants program, with much continued interest from our grant community. And in line with our updated 2018 strategic goals, these ICB grants are designed to promote a continued building of public and private partnerships to both strengthen and preserve our nation's cultural heritage and expansive humanities infrastructure. These grants are important at this time because of their tangible outcomes and allowing us to showcase the importance of NEH support in public life and communities.

In addition to the Infrastructure and Capacity Building initiative, some of NEH's notable recent accomplishments include:

- In FY 2019, the Endowment awarded in excess of $126 million to more than 1,000 humanities projects in every state of the nation and U.S. territorial jurisdictions. These projects are advancing knowledge and understanding in the humanities and bringing this knowledge to millions of Americans.

- The first of the Endowment's new National Convenings projects was awarded, in this case for support of American History and Civics Education. This new project will allow for the planning, development and implementation of a series of two national convenings which will focus on assessing the current state of civics education and knowledge of American history and government in K-12 education. It is our expectation that this forum will be able to serve as a launching event for a new national dissemination strategy in these policy areas and in the process emphasize programs that will benefit both low income and underserved populations. Following these convenings a report in their findings will also be issued for the nation's education community.

- As previously noted, in 2019 NEH continued its successes with the "Infrastructure and Capacity Building" Challenge grants program that allowed it to continue to expand NEH's support of the nation's infrastructure redevelopment and protection of cultural institutions. These grants will require a match of nonfederal funds and may be used toward capital expenditures such as construction and renovation projects, as well as the purchase of equipment and software, acquisition or maintenance of digital scholarly infrastructure, long-term preservation and conservation of humanities collections, and documentation of lost or imperiled cultural heritage. So far in two years more than $22 million of federal funds have been committed to supporting this burgeoning new program.

Brief Analysis of Financial Statements/Financial Overview

The principal financial statements are prepared to report the financial position and the results of operations of the National Endowment for the Humanities (Endowment), pursuant to the requirements of 31 U.S.C. § 3515(b). The statements are prepared from the books and records of the Endowment in accordance with Federal generally accepted accounting principles (GAAP) and the formats prescribed by the Office of Management and Budget (OMB). Reports used to monitor and control budgetary resources are prepared from the same books and records. The statements should be read with the realization that the Endowment is a component of the U.S. Government. These statements are included in the Financial Section of this report.

The following is a brief summary of the principal statements. The amounts described are in millions of dollars.

Balance Sheet

On the balance sheet, the Endowment's most significant asset is the fund balance with the U.S. Treasury. This balance principally represents funds to be paid in future years for grants. For fiscal years 2019 and 2018, the Endowment had a fund balance with the U.S. Treasury of $177.0 Million (M) and $161.3M, respectively. A higher appropriation for FY 2019, reduced FY 2019 outlays, and a larger FY 2019 unexpended appropriations balance at the beginning of the year accounts for this increase. The FY 2019 amount of $177.0M comprises $175.8M of appropriated no-year funds and $1.2M of trust no-year funds.

Of the $27.9M in total liabilities for FY 2019, the Endowment's principal liability is the estimated grant liability. This liability represents an accrual for the amount of estimated unreimbursed grantee expenses, as of September 30, 2019. For fiscal years 2019 and 2018, the Endowment had grant liabilities of $24.4M and $20.7M, respectively. The increase is due largely to an increase in grant obligations in FY 2019, which leads to increases in the accrual for unclaimed grant expenses at the end of the year.

The Endowment's net position consists primarily of unexpended appropriations. The unexpended appropriations include the portion of the Endowment's appropriation represented by undelivered orders and unobligated balances. As required by OMB Circular A-136, the balance sheet shows the portion of cumulative results of operations and unexpended appropriations for dedicated collections separately from all other funds on the face of the balance sheet. For fiscal years 2019 and 2018, the Endowment had unexpended balances of $152.4M and $143.1M, respectively. The increase is due to the combined effect of a larger appropriation received and a higher beginning unexpended balance in FY 2019 compared to the previous year.

Statement of Net Cost

The net cost of operations represents the gross cost incurred by the Endowment less any exchange revenue earned from its activities. By disclosing the gross and net cost of the Endowment's programs, the statement of net cost provides information that can be related to the outputs and outcomes of the Endowment's programs and activities. For fiscal years 2019 and 2018, the Endowment had net cost of operations of $147.7M and $145.0M, respectively. This is due largely to an increased grant liability in FY 2019.

Statement of Changes in Net Position

The statement of changes in net position is designed to display the components of the unexpended appropriations and cumulative results of operations separately to enable the stakeholders to better understand the nature of this statement. For fiscal years 2019 and 2018, the Endowment had net positions of $153.0M and $143.6M, respectively. The increase is due to a larger unexpended appropriations beginning balance and a larger appropriation during FY 2019.

Statement of Budgetary Resources

The statement of budgetary resources provides information about how budgetary resources were made available to the Endowment as well as their status at the end of the period. It is the only financial statement primarily derived from the Endowment's budgetary general ledger in accordance with budgetary accounting rules, which are incorporated into GAAP for the Federal Government. The budgetary resources are mostly from funds appropriated by the U.S. Congress. For fiscal years 2019 and 2018, the Endowment had $178.6M and $163.9M in budgetary resources, respectively. The change is due to an increase in unobligated balances carried forward, and an increase in appropriations received during FY 2019. For fiscal years 2019 and 2018, the Endowment had net outlays of $139.3M and $144.5M, respectively.

Required Supplementary Stewardship Information

Stewardship Investments - Investment in Non-Federal Physical Property

The National Endowment for the Humanities (NEH) provides a long-term benefit to the public by maintaining its commitment to investing in non-Federal physical property. Non-Federal physical property refers to expenses incurred by the Federal government for the purchase, construction, or major renovation of physical property owned by state and local governments, including major additions, alterations, and replacements; the purchase of major equipment; and the purchase or improvement of other physical assets.

NEH's investment in non-Federal physical property currently includes facilities, structures, and equipment.

Management Assurances

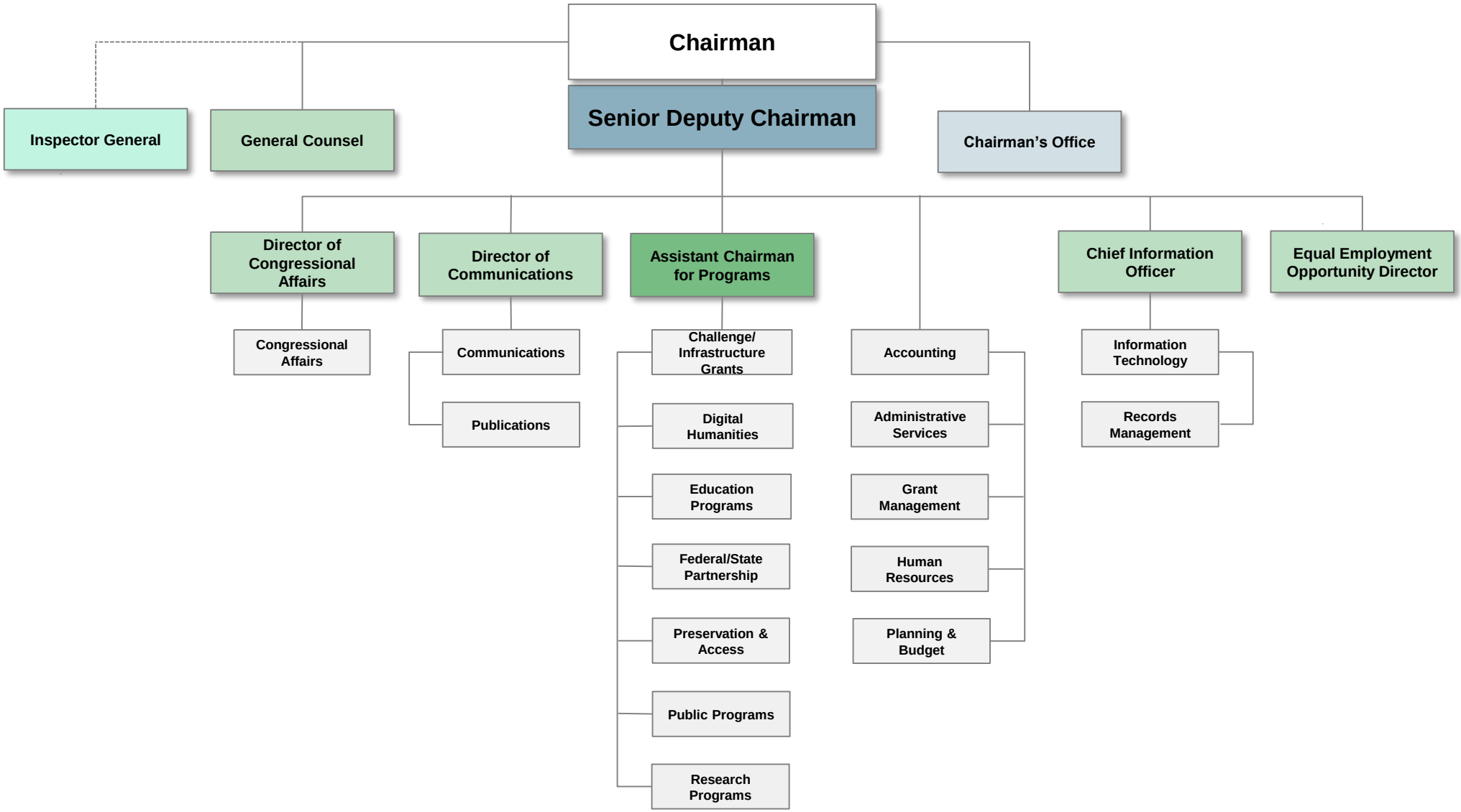
The NEH management is responsible for managing risks and maintaining effective internal control to meet the objectives of Sections 2 and 4 of the Federal Managers' Financial Integrity Act. The NEH conducted its assessment of risk and internal control in accordance with OMB Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control.* Based on the results of the assessment, NEH can provide reasonable assurance that internal control over operations, reporting, and compliance were operating effectively as of September 30, 2019.

Jon Parrish Peede
Chairman, NEH

Organizational Structure

The following page shows NEH's organizational structure.

National Endowment for the Humanities



II. PERFORMANCE INFORMATION

Fiscal Year 2019 Performance Report

INTRODUCTION

We are pleased to present the Performance and Impact section of our Performance and Accountability Report (PAR) for fiscal year 2019. The purpose of this section of the report is to compare performance levels anticipated for fiscal year 2019 in the annual NEH Performance Plan with the performance outcomes that were actually achieved during that year. FY 2019 goals and indicators relate to the FY 2018 NEH Strategic Plan. Because the goals and indicators of the NEH Performance Plan are tied directly to and closely parallel the general goals and objectives in the Endowment's multi-year strategic plan, this report will also serve as a measure of the agency's progress in achieving it long-term strategic goals.

The results projected in the NEH Performance Plan may accrue over many years. In those cases, measured outcomes of FY 2019 will be reported as partial results and revised in subsequent annual PARs. The projected performance outcomes cited below are those embodied in the NEH Performance Plan and relate to funding allocations at the levels of the final, enacted budget of each year. In what follows, projected performance indicators are shown in *italics*; measured performance outcomes in **bold**. Performance results that as of this writing remain incomplete are enclosed in parenthesis.

[Note: The volume of applications to NEH's discrete programs and grant categories typically fluctuates from year to year. In addition, because grants are awarded through a highly competitive—and necessarily contingent—application review process, the numbers of grants actually awarded during a given year (in **bold**) may differ significantly from the numbers of awards (in *italics*) projected for the year.]

PERFORMANCE GOALS:

A: To facilitate basic research and original scholarship in the humanities.

PERFORMANCE INDICATORS:

1) Provide support for fellowships and stipends that enable scholars—both those affiliated with educational institutions and those working independently—to devote a concentrated period of time to research and writing on significant subjects in all fields of the humanities.

- FY 2019: Support was provided for *185*/**200** individual scholars to make significant progress on important humanities research projects through fellowships and stipends.

- FY 2018: Support was provided for *185/***179** individual scholars to make significant progress on important humanities research projects through fellowships and stipends.

- FY 2017: Support was provided for *195/***195** individual scholars to make significant progress on important humanities research projects through fellowships and stipends.

- FY 2016: Support was provided for *210/***195** individual scholars to make significant progress on important humanities research projects through fellowships and stipends.

2) Support collaborative research projects on significant subjects in the humanities.

- FY 2019: Support was provided for *32*/**34** important long-term collaborative projects in the humanities such as scholarly editions, translations, archaeological excavations and analyses and other complex, large-scale undertakings. In addition, *24/***22** previously awarded grants received ongoing support through NEH matching funds.

- FY 2018: Support was provided for *32*/**28** important long-term collaborative projects in the humanities such as scholarly editions, translations, archaeological excavations and analyses and other complex, large-scale undertakings. In addition, *24/***24** previously awarded grants received ongoing support through NEH matching funds.

- FY 2017: Support was provided for *34*/**34** important long-term collaborative projects in the humanities such as scholarly editions, translations, archaeological excavations and analyses and other complex, large-scale undertakings. In addition, *26/***21** previously awarded grants received ongoing support through NEH matching funds.

- FY 2016: Support was provided for *28*/**34** important long-term collaborative projects in the humanities such as scholarly editions, translations, archaeological excavations and analyses and other complex, large-scale undertakings. In addition, *26*/**26** previously awarded grants received ongoing support through NEH matching funds.

3) Encourage international scholarly collaboration in the humanities.

- FY 2019: Awards for *25*/**26** humanities fellowship programs at independent research institutions are supporting the work of 70/60 humanities scholars who are making significant contributions to scholarship in the humanities.
- FY 2018: Awards for *24*/**24** humanities fellowship programs at independent research institutions are supporting the work of 69**/60** humanities scholars who are making significant contributions to scholarship in the humanities.

- FY 2017: Awards for *24*/**24** humanities fellowship programs at independent research institutions are supporting the work of *72*/**60** humanities scholars who are making significant contributions to scholarship in the humanities.

- FY 2016: Awards for *23*/**24** humanities fellowship programs at independent research institutions are supporting the work of 72/**72** humanities scholars who are making significant contributions to scholarship in the humanities.

4) Encourage the use of digital technologies in scholarly research and the dissemination of research findings.

- FY 2019: Applicants in all Research programs were encouraged to harness the vast potential of advanced digital technology in the conduct and dissemination of their research.

- FY 2018: Applicants in all Research programs were encouraged to harness the vast potential of advanced digital technology in the conduct and dissemination of their research.

- FY 2017: Applicants were encouraged to harness the vast potential of advanced digital technology in the conduct and dissemination of their research.

- FY 2016: Applicants were encouraged to harness the vast potential of advanced digital technology in the conduct and dissemination of their research.

5) Work in partnership with the National Science Foundation to support projects to record, document, and archive endangered languages worldwide, with a special emphasis on endangered Native American languages.

- FY 2019: *5*/**6** projects were supported through the Endowment's multi-year funding partnership with the National Science Foundation to provide awards to scholars engaged in recording and archiving key languages before they become extinct.

- FY 2018: 5/**5** projects were supported through the Endowment's multi-year funding partnership with the National Science Foundation to provide awards to scholars engaged in recording and archiving key languages before they become extinct.

- FY 2017: 5/**5** projects were supported through the Endowment's multi-year funding partnership with the National Science Foundation to provide awards to scholars engaged in recording and archiving key languages before they become extinct.

- FY 2016: 10/**5** projects were supported through the Endowment's multi-year funding partnership with the National Science Foundation to provide awards to scholars engaged in recording and archiving key languages before they become extinct.

6) Support humanities scholarship and related course development by faculty at Historically Black Colleges and Universities, Hispanic-Serving Institutions, and Tribal Colleges and Universities.

- FY 2019: Support was provided to *12*/**14** individual scholars who teach at historically black colleges and universities, at Hispanic-serving institutions, and at tribal colleges and universities to make significant progress on important scholarly projects in the humanities through faculty research awards.

- FY 2018: Support was provided to *10*/**13** individual scholars who teach at historically black colleges and universities, at Hispanic-serving institutions, and at tribal colleges and universities to make significant progress on important scholarly projects in the humanities through faculty research awards.

- FY 2017: Support was provided to *10*/**12** individual scholars who teach at historically black colleges and universities, at Hispanic-serving institutions, and at tribal colleges and universities to make significant progress on important scholarly projects in the humanities through faculty research awards.

- FY 2016: Support was provided to 6/**10** individual scholars who teach at historically black colleges and universities, at Hispanic-serving institutions, and at tribal colleges and universities to make significant progress on important scholarly projects in the humanities through faculty research awards.

FY 2019 accomplishments. The Endowment supports research by individual scholars; long-term, complex projects carried out by teams of scholars; and focused, individual projects that draw upon the collections and expertise of leading humanities institutions and overseas research centers. Support for humanities research is a long-term investment, and the full impact of NEH grants is often realized well after grant funds are spent. The awards made in FY 2019 will help to shape the understanding of scholars and the larger public for years to come.

[**Indicator 1**] NEH Fellowships and Summer Stipends provide opportunities for individual scholars and teachers to undertake advanced research in the humanities. Since the first years of the Endowment, these programs have proven to be an effective and efficient means of supporting humanities research, resulting in the publication of approximately 8,700 books. While books (including books in electronic format) and scholarly articles are most often the goal of those applying for NEH awards, grantees report that their scholarly publications often help them broaden their reach, allowing them to publish with popular presses, make presentations to both specialized and general audiences, and draw on their research to enrich their teaching.

Many NEH-supported publications win academic, scholarly, and literary prizes. For example, Yuri Slezkine of the University of Chicago was recognized in FY 2018 by the American Historical Association for his book *The House of Government: A Saga of the Russian Revolution.* Slezkine's book, which he wrote with the support of a 2009 NEH Fellowship, won the George L. Mosse Prize for best intellectual history of Europe, from 1500 to the present. Likewise, Jeremy Hartnett's *The Roman Street: Urban Life and Society in Pompeii, Herculaneum, and Rome* (supported by a Summer Stipend in in 2011) won the 2018 James Henry Brested Prize for the best book of ancient history.

In FY 2015, NEH introduced the Public Scholar Program, which encourages books in the humanities that are based on rigorous research but are also written in an accessible style that will appeal to any curious general reader. In FY 2019 this program made 15 awards. For example, Elizabeth Fenn, a historian at University of Colorado, Boulder, received an award to support her research on the life and world Sacagawea, the indispensable guide for Lewis and Clark's Western expedition. Fenn's book will allow for an in-depth study of the complex interactions of Native communities on the U.S. frontier in the early 19th century. The books published in FY 2019 with the support of this program include independent scholar Philip Dray's *The Fair Chase: The Epic Story of Hunting in America.* Dray's history—published by Basic Books—has been reviewed favorably in many widely-read newspapers and magazines targeting a general readership.

[**Indicator 2**] Modern scholarly endeavors increasingly require collaboration among many researchers working across different specialties or intellectual exchange among scholars working together in research centers and archives. The Endowment nurtures such collaborative efforts through three programs—Scholarly Editions and Translations, Collaborative Research, and Fellowship Programs at Independent Research Institutions.

Scholarly Editions and Translations grants support the preparation of important texts and documents of enduring value that otherwise would be relatively inaccessible to scholars and the public. Scholarly editions projects involve significant literary, philosophical, and historical materials, with the majority being in U.S. history and literature. Most are produced in print editions but increasingly also in a variety of digital formats. Recent grants have supported, for example, editions of the papers of such major political figures as George Washington, John Adams, James Madison, James Monroe, and James Polk; important cultural figures such as early 20th-century inventor Thomas Edison and entertainer William F. "Buffalo Bill" Cody; and such literary figures as Mark Twain, Walt Whitman, and Robert and Elizabeth Barrett Browning.

Translation projects make important literary and historical material accessible to English-speaking scholars and readers. Scholars at Connecticut College, for example, worked with NEH support during FY 2018 to collect and translate the journals and notebooks of 19th-century Danish philosopher Soren Kierkegaard. Bruce Kirmmse, the head of the project, has been able to use NEH support to leverage equal support from the Danish government. Scholars at the University of Nebraska led by Andrew Jewell, received an NEH grant to support the collect and publish in digital format the letters of famed American novelist Willa Cather.

Collaborative Research grants support teams of researchers involved in a variety of large-scale domestic and international projects, including archaeological excavation and interpretation, scholarly conferences, and wide-ranging original and synthetic research that significantly adds to our understanding of historical issues and cultural concerns. In 2018, for example, Brown University received a grant to support archaeological fieldwork in La Cuernavilla, Guatemala that will shed new light on the military aspirations of the Maya civilization, based on discovery of several Mayan forts and military installations. The project will yield journal articles, a monograph, an open-access database, and a website, all of which will help scholars understand the rise and fall not only of these empires, but also of empires in other times and places.

[**Indicator 3**] Fellowship Programs at Independent Research Institutions support residential fellowships offered by U.S. research centers located at home and abroad, and fellowships awarded under the auspices of U.S. organizations that facilitate international research. The American School of Classical Studies in Athens, for example, which maintains an office in Greece, received continuing NEH support in FY 2018 to aid U.S.-based scholars conducting research in Greece. The American School provides these scholars with fellowships, arranges the required permits and affiliations, and provides a safe environment for ongoing humanities research.

B: Strengthen teaching and learning in the humanities in elementary and secondary schools and institutions of higher education.

PERFORMANCE INDICATORS:

1) Provide professional development opportunities for teachers at all levels of the nation's educational system to renew and deepen their knowledge of the humanities.

- FY 2019: Support for **32** NEH summer seminars and institutes will enable **204** college teachers and **525** school teachers to revitalize their knowledge and teaching of the humanities. College teachers participating in seminars and institutes during the summer of 2020 will reach approximately **35,700** students annually; school teacher participants will reach approximately **65,625** annually.

- FY 2018: Support for 28/30 NEH summer seminars and institutes will enable 364/222 college teachers and 364/462 school teachers to revitalize their knowledge and teaching of the humanities. College teachers participating in seminars and institutes during the summer of 2019 will reach approximately 63,700/38,850 students annually; school teacher participants will reach approximately 45,500/57,750 annually.

- FY 2017: Support for *40*/**41** NEH summer seminars and institutes will enable *455*/**444** college teachers and *455*/**905** school teachers to revitalize their knowledge and teaching of the humanities. College teachers

participating in seminars and institutes during the summer of 2017 will reach approximately *79,625*/**77,700** students annually; school teacher participants will reach approximately *56,875*/**113,125** annually.

- FY 2016: Support for 49/**46** NEH summer seminars and institutes will enable 521/(489) college teachers and *578*/(543)school teachers to revitalize their knowledge and teaching of the humanities. College teachers participating in seminars and institutes during the summer of 2017 will reach approximately *91,175*/(85,593) students annually; school teacher participants will reach approximately *72,250*/(67,827) annually.

The "Landmarks of American History and Culture" program was temporarily suspended for FY 2017; it was reintroduced for FY 2018, to support workshops taking place in the summer of 2019.

- FY 2019: Support for **16** *Landmarks of American History and Culture* workshops to take place in the summer of 2020 would enable approximately **1,152** school teachers to revitalize their knowledge and teaching of American history, particularly as it relates to the relationship between specific sites and the episodes in history, the writers, and/or the artists associated with that location. These teachers would annually reach approximately **144,000** students.

- FY 2018: Support for 12/**15** "Landmarks of American History and Culture" workshops to take place in the summer of 2019 will enable approximately 864/1,080 school teachers to revitalize their knowledge and teaching of American history and culture, particularly as it relates to the relationship between specific sites and the episodes in history, the writers, and/or the artists associated with that location. These teachers would annually reach approximately 108,000/135,000 students.

- FY 2016: Support for *22*/**20** "Landmarks of American History and Culture" workshops to take place in the summer of 2017 would enable approximately *1,548*/(1,440) school teachers to revitalize their knowledge and teaching of American history, particularly as it relates to the relationship between specific sites and the episodes in history, the writers, and/or the artists associated with that location. These teachers would annually reach approximately *198,000*/(180,000) students.

Dialogues on the Experience of War

- In FY 2019, made **9** awards in its *Dialogues on the Experience of War* program, which is specifically concerned with veterans and active service members.

- In FY 2018, made **13** awards in its most recent program, the Dialogues on the Experience of War, which is specifically concerned with veterans and active service members.

- In FY 2017, made *12*/**16** awards in its new program, Dialogues on the Experience of War, which is specifically concerned with veterans and active service members.

- In FY 2016, made **17** awards in its new program, the Dialogues on the Experience of War, which is specifically concerned with veterans and active service members.

2) Strengthen efforts to enhance the availability and quality of humanities teaching and learning in the nation's community colleges, especially the study of diverse cultures and historical perspectives.

- FY 2019: Support for **17** *Humanities Connections Planning* projects and **4** *Humanities Connections Implementation* projects are enabling faculty at community colleges, colleges, and universities to enhance undergraduate humanities education, to forge links between the humanities and other fields, and to engage undergraduate students in expanded experiential education opportunities. This program funds curricular enhancement projects that help strengthen connections among humanities programs and fields outside the humanities.

  In addition, support for **6** *Humanities Initiatives at Community Colleges* projects are supporting community colleges' commitment to educating students on a variety of educational and career paths. This program funds curricular and faculty development projects that help strengthen humanities programs and/or incorporate humanistic approaches in fields outside the humanities.

- FY 2018: Support for *10*/**6** Humanities Initiatives at Community Colleges projects are supporting community colleges' commitment to educating students on a variety of educational and career paths. This newly introduced program funds curricular and faculty development projects that help strengthen humanities programs and/or incorporate humanistic approaches in fields outside the humanities.

  Support for *20*/**23** Humanities Connections projects are enabling faculty at community colleges, colleges, and universities to enhance undergraduate humanities education, to forge links between the humanities and other fields, and to engage undergraduate students in expanded experiential education opportunities. This newly introduced program funds curricular enhancement

projects that help strengthen connections among humanities programs and fields outside the humanities.

- FY 2017: Support for 10/**8** Humanities Initiatives at Community Colleges projects are supporting community colleges' commitment to educating students on a variety of educational and career paths. This program funds curricular and faculty development projects that help strengthen humanities programs and/or incorporate humanistic approaches in fields outside the humanities.

  Support for 20/**18** Humanities Connections projects are enabling faculty at community colleges, colleges, and universities to enhance undergraduate humanities education, to forge links between the humanities and other fields, and to engage undergraduate students in expanded experiential education opportunities. This newly introduced program funds curricular enhancement projects that help strengthen connections among humanities programs and fields outside the humanities.

- FY 2016: Support for 10/**12** Humanities Initiatives at Community Colleges projects are supporting community colleges' commitment to educating students on a variety of educational and career paths. This newly introduced program funds curricular and faculty development projects that help strengthen humanities programs and/or incorporate humanistic approaches in fields outside the humanities.

3) Support efforts of faculty at Historically Black Colleges and Universities, Hispanic-Serving Institutions, and Tribal Colleges and Universities to deepen their knowledge in the humanities and strengthen their humanities offerings.

- FY 2019: Humanities Initiatives at Presidentially Designated Institutions provided **16** grants to support faculty professional development activities for improvement in humanities instruction, as well as other capacity building activities at these institutions.

- FY 2018: Humanities Initiatives at Presidentially Designated Institutions provided *12*/**11** grants to support faculty professional development activities for improvement in humanities instruction, as well as other capacity building activities at these institutions.

- FY 2017: Humanities Initiatives at Presidentially Designated Institutions provided *10*/**13** grants to support faculty professional development activities for improvement in humanities instruction, as well as other capacity building activities at these institutions.

- FY 2016: Humanities Initiatives at Presidentially Designated Institutions provided *10*/**9** grants to support faculty professional development activities for

improvement in humanities instruction, as well as other capacity building activities at these institutions.

4) Develop and support NEH's EDSITEment web portal as a means of enriching online teaching and learning resources available to teachers, students, and parents.

- FY 2019: Special encouragement was provided for projects that will produce materials for inclusion on EDSITEment, the Endowment's nationally recognized website for K-12 teachers seeking rich humanities resources on the Internet.

- FY 2018: Special encouragement was provided for projects that will produce materials for inclusion on EDSITEment, the Endowment's nationally recognized website for K-12 teachers seeking rich humanities resources on the Internet.

- FY 2017: Special encouragement was provided for projects that will produce materials for inclusion on EDSITEment, the Endowment's nationally recognized website for K-12 teachers seeking rich humanities resources on the Internet.

- FY 2016: Special encouragement was provided for projects that will produce materials for inclusion on EDSITEment, the Endowment's nationally recognized website for K-12 teachers seeking rich humanities resources on the Internet.

FY 2019 accomplishments. [**Indicator 1**] NEH Summer Seminars and Institutes have for more than four decades been one of the nation's premier forms of professional development in the humanities for college and university teachers and elementary and secondary school teachers. NEH offers these teachers opportunities to pursue serious intellectual inquiry in fields such as history, literature, religion, philosophy, foreign languages, and government and civics. Working with distinguished scholars, participants deepen their knowledge of the subjects they teach and develop effective ways of bringing this understanding to their students.

In NEH Summer Institutes, participants undertake an intensive program of study with teams of humanities scholars who present a range of perspectives on a given topic. Well-suited to larger groups (as many as thirty-six), institutes are an effective forum for breaking new ground in an emerging field and for redirecting the teaching of various subjects in the K-12 or undergraduate classroom. NEH Summer Seminars enable sixteen participants to study under the guidance of a senior scholar. The principal goal is to equip teachers with deep understanding of their subject areas, to engage them in scholarly research and discussion, and to improve their teaching.

NEH annually supports Summer Seminars and Institutes on a range of topics in the humanities. During the summer of 2019, for example, pre-collegiate teachers studied such topics as Frederick Douglass; World War I in history and literature; the First Amendment and 21st-Century America; Native histories along the Lewis and Clark Trail; and teaching the Holocaust through visual culture. For 2019, college-level faculty studied, among other topics, José Martí and the immigrant community of Florida; Jewish history in the American South; Philosophical responses

to Empiricism in Kant, Hegel, and Sellars; and modernist literature and culture in Chicago from 1893-1955.

The Landmarks of American History and Culture program supports summer workshops that educate K-12 teachers how to use historical and cultural sites when teaching central themes and topics in American history. The program also encourages staff at the sites to improve their professional development programs. Landmarks workshops are held at or near presidential residences and libraries, colonial-era settlements and missions, forts and battlefields, industrial centers, and sites associated with notable writers, architects, and artists. The workshops are academically rigorous, involve leading scholars, and help participants develop new teaching resources. Projects accommodate thirty-six teachers at one-week sessions, which are offered twice during the summer. The division temporarily suspended funding for workshops in 2017, and therefore no Landmarks workshops were offered during the summer of 2018. Funding to this valuable program was reinstated in 2018, however, a new set of workshops was offered during the summer of 2019. Participants were able to study a range of place-based topics, including African Americans in early New England; the Battle of Little Bighorn and the Great Sioux War; the Concord landscapes of Henry David Thoreau; and the Springfield armory and the genesis of American industry.

Introduced in FY 2016, the Dialogues on the Experience of War program supports the study and discussion of important humanities sources about war, in the belief that these sources can help U.S. military veterans and others to think more deeply about the issues raised by war and military service. The humanities sources are drawn from history, philosophy, literature, and film—and they are typically supplemented by testimonials from those who have served. The discussions are intended to promote serious exploration of important questions about the nature of duty, heroism, suffering, loyalty, and patriotism. This grant program has been a part of the agency's *Standing Together* initiative, which emphasized the innovative ways in which the humanities can engage military veterans and communities. Nine awards were made in the most recent round of this grant competition, and include grants to fund discussion groups for veterans and others in the Chesapeake Bay area, in which participants will read T*he Odyssey* and more recent works by veterans from the Vietnam War to the present; the training of veterans who are currently public school educators in North Carolina, Georgia, and Virginia; training sessions and discussion groups for Maui County veterans that integrate veterans' experiences into an ancient Native Hawaiian rite of passage; and a literary discussion program on the theme of duty and women's experience of war to be offered to veterans and civilians in diverse locations across Nevada.

[Indicator 2] Introduced in FY 2016, Humanities Initiatives at Community Colleges support community colleges' commitment to educating students on a variety of educational and career paths. The program funds curricular and faculty development projects that help strengthen humanities programs and/or incorporate humanistic approaches in fields outside the humanities. Because the competition deadline was shifted from January to July, no awards were made in this program during FY 2018. New awards made in FY 2019 include funding for the development and implementation of an annual common book program for students at Tulsa Community College; a professional development project on the history of civil rights in Harford County, Maryland; and curriculum development to develop courses that reflect Latino/a history and culture and that reflect contemporary Native American culture.

In FY 2017, the Division of Education Programs established the Humanities Connections grant, designed to expand the role of the humanities in undergraduate education at two- and four-year institutions. Grants support innovative curricular approaches that foster productive partnerships among humanities faculty and their counterparts in the social and natural sciences and in pre-service or professional programs (such as business, engineering, health sciences, law, computer science, and other technology-driven fields). In its third year, this grant program funded seventeen planning grants and four implementation grants to fund projects at such institutions as University of Texas Rio Grande Valley (TX), Albertus Magnus College (CT), University of South Florida (FL), Bergen Community College (NJ), University of Scranton (PA), St. Joseph's College (ME), and College of St. Benedict's (MN).

[**Indicator 3**] Awards made in the Humanities Initiatives at Historically Black, Hispanic-Serving, and Tribal Colleges and Universities categories (Presidentially Designated Institutions) may be used to enhance the humanities content of existing programs; to develop new humanities programs, such as foreign language programs, new humanities minors, first-year seminars, or summer bridge programs for high school students; to build ties among faculty at several institutions; and to take advantage of underused humanities resources, particularly as they pertain to the professions, such as medicine, law, business, or economics. Each project is organized around a core topic or set of themes.

In FY 2019, NEH funded a total of sixteen Humanities Initiatives through its Presidentially Designated Institutions programs. Institutions used these awards to fund a variety of projects. For instance, Virginia State University (VA) used its Humanities Initiatives at Historically Black Colleges and Universities award to fund a three-year program of faculty development, curriculum enhancement, and community engagement focused on eight important Virginia women from the colonial era into the twentieth century. In the most recent competition of the Humanities Initiatives and Tribal colleges and Universities, the College of the Muscogee Nation (OK) received an award to revise a course on Muscogee culture that will culminate in a travel-study trip to the original homelands of the Muscogee people in the southeastern United States, and Red Lake Nation College (MN) received an award to fund the creation of a student podcast series about Red Lake Ojibwe language, culture, and history. Northeastern Illinois University (IL) received a Humanities Initiatives at Hispanic Serving Institutions award to fund a one-year project to develop three new courses and related curricular resources in Kurdish language and culture. That same program funded a summer bridge program at Vanguard University (CA) and a partnership between Florida International University (Hispanic Serving Institution) and Florida Memorial University (HBCU) to improve course content and teacher training in Spanish language and culture at both institutions.

[**Indicator 4**] In FY 2017, the Division of Education Programs welcomed NEH's EDSITEment project, a website for K-12 educators and students, back into the division after a four-year residency in the Chairman's Office. Now approaching its twenty-second anniversary, this award-winning site brings a well-respected, robust means of digital outreach to the K-12 community that includes over 400 lesson plans and scores of student interactives and professional and classroom development resources. During FY 2019, EDSITEment's over two million viewers generated more than four million page views, or approximately 200,000 users each month. During FY 2019, the website was identified as the "Best for History" by Scholastic Education in its annual publication of websites for teachers, and the site's online presence included facilitating professional learning sessions for the American Educational Association, National History Day,

the Civics Renewal Network, and the National Council for the Social Studies. In an important site enhancement, EDSITEment resources are now available through Google classroom, making the site easily accessible to over 15 million American K-12 students and their teachers. EDSITEment continues to collaborate with NEH Division of Education Summer Seminars and Institutes and Landmarks of American History and Culture grant recipients and participants on the production and dissemination of materials for K-12 educators and has developed K-12 resources through other NEH-funded programs such as *Chronicling America*.

C: To preserve and increase the availability of cultural and intellectual resources essential to the American people.

PERFORMANCE INDICATORS:

1) Support is provided to preserve and create intellectual access to humanities collections and resources. Supported activities include digitizing collections; arranging and describing archival and manuscript collections; cataloging collections of printed works, photographs, recorded sound, moving image, art, and material culture; preservation reformatting; preserving and improving access to humanities resources in "born digital" form; creating research tools and reference works; and developing technical standards, best practices, and tools for preserving and enhancing access to humanities collections.

- FY 2019: **39** projects will preserve and/or provide access to 106 hours of recorded sound and video collections; 658 linear feet of archival documents; and 650,463 manuscripts, broadsides, oversize volumes, and other non-print materials.

- FY 2018: **40** projects will preserve and/or provide access to 8,708 hours of recorded sound and video collections; 404 linear feet of archival documents; and 856,806 manuscripts, broadsides, oversize volumes, and other non-print materials.

- FY 2017: **39** projects will preserve and/or provide access to 13,000 hours of recorded sound and video collections; 1,070 linear feet of archival documents; and 750,000 manuscripts, broadsides, oversize volumes, and other non-print materials.

- FY 2016: **30**/30 projects will preserve and/or provide access to 6,800/(6,800) hours of recorded sound and video collections; 2,900/(2,900) linear feet of archival documents; and 3.5 million/(3.5 million) manuscripts, broadsides, oversize volumes, and other non-print materials.

2) Work in partnership with other institutions, such as the Library of Congress, to

digitize and make more accessible historic U.S. newspapers, including newspapers printed in languages other than English.

- FY 2019: Supported projects will digitize **1.11** million pages of microfilm pages of historic newspapers.

- FY 2018: Supported projects will digitize **1.8** million pages of microfilm pages of historic newspapers.

- FY 2017: Supported projects will digitize **4.5** million pages of microfilm pages of historic newspapers.

- FY 2016: Supported projects are digitizing hundreds of thousands of microfilm pages of historic newspapers.

3) Support the creation of research tools and reference works of major importance to the humanities.

- FY 2019: Grants were made to **11** projects to begin or continue work on the preparation of dictionaries, atlases, encyclopedias, and textbases central to knowledge and understanding of the humanities.

- FY 2018: Grants were made to **4** projects to begin or continue work on the preparation of dictionaries, atlases, encyclopedias, and textbases central to knowledge and understanding of the humanities.

- FY 2017: Grants were made to **6** projects to begin or continue work on the preparation of dictionaries, atlases, encyclopedias, and textbases central to knowledge and understanding of the humanities.

- FY 2016: Grants were made to **12**/12 projects to begin or continue work on the preparation of dictionaries, atlases, encyclopedias, and textbases central to knowledge and understanding of the humanities.

4) Work in partnership with the National Science Foundation to support projects to record, document, and archive endangered languages worldwide, with a special emphasis on endangered Native American languages.

- FY 2019: **2** projects were supported for the creation of tools—such as bilingual dictionaries, grammars, and text collections—that document languages threatened with extinction.

- FY 2018: **4** projects were supported for the creation of tools—such as bilingual

dictionaries, grammars, and text collections—that document languages threatened with extinction.

- FY 2017: **3** projects were supported for the creation of tools—such as bilingual dictionaries, grammars, and text collections—that document languages threatened with extinction.

- FY 2016: *3*/**2** projects were supported for the creation of tools—such as bilingual dictionaries, grammars, and text collections—that document languages threatened with extinction.

5) Support research that leads to new digital tools, technologies, national standards, best practices, and other methodologies for the preservation of collections and cultural resources.

- FY 2019: **6** projects are supporting the creation of new digital tools, technologies, national standards, best practices, and other methodologies for the preservation of collections and cultural resources.

- FY 2018: **5** projects are supporting the creation of new digital tools, technologies, national standards, best practices, and other methodologies for the preservation of collections and cultural resources.

- FY 2017: **5** projects are supporting the creation of new digital tools, technologies, national standards, best practices, and other methodologies for the preservation of collections and cultural resources.

- FY 2016: *8*/**8** awards are supporting the creation of new digital tools, technologies, national standards, best practices, and other methodologies for the preservation of collections and cultural resources.

6) Support the training of staff from the nation's cultural repositories in the appropriate procedures for preserving and enhancing access to humanities collections.

- FY 2019: **6** awards were made for regional and national education programs that are providing training for 3,497 people in U.S. museums, libraries, archives, and historical organizations.

- FY 2018: **7** awards were made for regional and national education programs that are providing training for 253,209 people in U.S. museums, libraries, archives, and historical organizations.

- FY 2017: **7** awards were made for regional and national education programs that are providing training for 590,000 people in U.S. museums, libraries, archives, and historical organizations.

- FY 2016: *6*/**8** awards were made for regional and national education programs that are providing training for 414,364/(552,485) people in U.S. museums, libraries, archives, and historical organizations.

7) Provide support for basic preservation activities to small and mid-sized libraries, archives, museums, and historical organizations.

- FY 2019: Projects supported are assisting in preserving collections at 103 institutions in 39 states. Approximately 18 percent of the awards will go to first-time NEH grantees.

- FY 2018: Projects supported are assisting in preserving collections at 75 institutions in 42 states. Approximately 39 percent of the awards will go to first-time NEH grantees.

- FY 2017: Projects supported are assisting in preserving collections at 75 institutions in 33 states. Approximately 39 percent of the awards will go to first-time NEH grantees.

- FY 2016: Projects supported are assisting in preserving collections at 80/80 institutions in 30/30 states. Approximately 30 percent of the awards went to first-time NEH grantees.

FY 2019 accomplishments.

[**Indicator 1**] The Endowment's Humanities Collections and Reference Resources program provides grants to projects that preserve and create intellectual access to collections that, because of their intellectual content or value as cultural artifacts, are considered highly important to the humanities. Grants support the digitization of collections to enhance their accessibility, as well as the creation of significant reference works. They also support preservation reformatting of humanities collections; arranging and describing archival and manuscript collections; and cataloging collections of printed works, photographs, recorded sound, moving images, and other materials important for humanities research and education.

Highlights of such projects for FY 2019 include a grant to the City of Boston for the cataloging, rehousing, and digital imaging of over 200,000 archaeological artifacts from key historical sites in Boston, including Faneuil Hall and Paul Revere House. The work will facilitate access to abundant primary sources for topics such as Native American studies, the American Revolution, slavery and abolition in New England, and early American business and commerce. In addition, an award to the YIVO Institute for Jewish Research supports the digital reunification of collections held in New York and three cultural intuitions in Vilnius, Lithuania. Imperiled by Nazi looting and later rumored to be destroyed by Soviet authorities, the surviving collections document Jewish life in Eastern Europe from the seventeenth century to the immediate post-Holocaust period. This phase of the project will add 170,000 pages of recently discovered

archival materials to the digital collections already available online, making the "Vilna Collections" the largest Yiddish-language collection in the world.

Furthermore, Humanities Collections and Reference Resources Foundations grants support the formative stages of planning, assessment, and pilot activities for initiatives to preserve and create access to humanities collections or to produce reference resources. Drawing upon the cooperation of humanities scholars and technical specialists, such projects can help cultural institutions prepare for establishing intellectual control of collections, develop plans and priorities for digitizing collections, solidify collaborative frameworks and strategic plans for complex digital reference resources, or produce preliminary versions of online collections or resources. For example, a Foundations grant recently made to the University of Minnesota, working in partnership with the University of Texas, Rio Grande Valley, and the National Museum of Mexican Art, supports planning for the creation of an online portal to information and archival sources on Mexican American art. The project focuses on the holdings of smaller libraries, archives, and museums scattered across the country, facilitating collective digital access to materials that would otherwise be only locally available at individual repositories.

The Endowment also encourages efforts to preserve and create access to significant humanities collections, among them sound recordings and moving images—an indispensable source of information on the history of the 20th century. In FY 2019, support was provided to Little Big Horn College in Montana to enable the digitization, translation, and transcription of 2,500 audiovisual recordings of Crow Indian history, language, and culture. These materials constitute one of the most extensive repositories of primary sources on the history and lifeways of Plains Indians. Likewise, a grant to Swarthmore College supports digitizing, cataloging, and transcribing 650 audio and visual recordings from the college's Peace Collection, which contains fragile recordings of the speeches of activists, academics, and elected officials, such as Jane Addams, Emily Green Balch, and Jeannette Rankin, as well as many lesser-known figures and organizations advocating for peace and social reform.

The Endowment's Sustaining Cultural Heritage Collections program helps cultural repositories nationwide to ensure the preservation of books and manuscripts, photographs, sound recordings and moving images, archaeological and ethnographic artifacts, art, and historical objects. In FY 2019, for example, an award to the Fort Ticonderoga Association supports the development of a Master Preservation and Storage Needs Plan for the 200,000-object collection housed in the association's Thompson-Pell Research Center. This plan will provide museum staff with professional guidance and recommendations for addressing collections preservation issues within the historic building as it is converted into a dedicated Collections and Research Facility.

[**Indicator 2**] With digital technology, there is now a means of providing full-text searching of newspaper content. In pursuit of this objective, NEH and the Library of Congress signed a memorandum of understanding in 2004, renewed in 2009 and in 2014, establishing a partnership to create the National Digital Newspaper Program (NDNP). Under the terms of this partnership, the Endowment will provide grants to an institution or organization in each state and territory to digitize titles published between 1690 and 1963 and to prepare fully searchable files that the Library of Congress will maintain permanently online.

The National Digital Newspaper Program is a complex undertaking that will be implemented in successive phases. To date, the NEH has provided support under this grant category for forty-six state projects, each of which is contributing at least 300,000 pages of digitized newspapers. Recently, NEH welcomed three new state/territorial partners: Rhode Island, Wyoming, and the US Virgin Islands (in cooperation with Florida). Thus far, more than 15 million pages of historic American newspapers have been digitized through NDNP, with many millions more to follow. The selected pages, along with title essays and a directory of all newspapers published in the United States from 1690 to the present, are publicly accessible online through the Chronicling America Web site: https://chroniclingamerica.loc.gov/. Many projects are now also digitizing U.S. newspapers published in French, German, Italian, Polish, Spanish, and other languages, thus providing access to the nation's vibrant ethnic and immigrant press.

[**Indicator 3**] In FY 2019, the Humanities Collections and Reference Resources program provided support to the American Film Institute for a project to enhance 6,000 records in the AFI Catalog of Feature Films with additional name credits researched in trade magazines and newspapers—many of them thought to be women directors, producers, and writers—for silent films released from 1910 to 1930. Also, a recent grant to the University of Texas at Austin is supporting a major upgrade of the Texas Archival Resources Online (TARO) database. TARO aggregates
13,000 archival finding aids from 48 cultural heritage repositories throughout the state, providing researchers and students an easier way to discover a wealth of primary sources.

[**Indicator 4**] The Endowment supports the creation of tools—such as bilingual dictionaries, grammars, and text collections—that document languages threatened with extinction. Of the 6,000 to 7,000 currently spoken languages, at least 3,000 are endangered, including hundreds of American Indian languages, which are our highest priority. In 2005, NEH and the National Science Foundation established a joint, multi-year special initiative, "Documenting Endangered Languages," to support linguistic projects that exploit digital technology. Grants support fieldwork and other activities relevant to recording, documenting, and archiving endangered languages, including the preparation of lexicons, grammars, text samples, audio recordings, and databases. For example, in FY 2019 a grant to the University of Alaska, Fairbanks, is supporting the documentation and description of Sugpiaq, a highly endangered Yupik language spoken on the Alaska Peninsula, Kodiak Island, and the Kenai Peninsula. In addition, the project will include collaboration with local teachers in the creation of language-learning materials for indigenous students in Alaska.

[**Indicator 5**] Preservation and Access Research and Development awards support efforts to formulate new ways to preserve materials of critical importance to the nation's cultural heritage—from fragile artifacts and manuscripts to analog recordings and digital assets subject to technological obsolescence—as well as to develop advanced modes of discovering and using such materials. Research and Development planning and implementation grants are helping, for example, to devise innovative ways to protect and slow the deterioration of humanities collections through the use of sustainable preservation strategies; develop technical standards, best practices, and tools for preserving humanities materials that are "born digital"; and ensure that collections of recorded sound and moving images that represent a major part of the record of

the twentieth century will remain accessible to future generations. In FY 2019, a grant to the University of Chicago supports the work on geochemical clay analyses to establish the provenance of cuneiform tablets to advance research for scholars and museum professionals, as well as to assist law enforcement officials by broadening the tools available for the identification of looted and stolen antiquities.

[**Indicator 6**] Complementing the Endowment's support for preserving and establishing access to a variety of cultural resources are its grants for projects to increase the ability of the nation's libraries, archival repositories, and museums to care for their collections. NEH supports academic programs that train the next generation of conservators responsible for the protection of the nation's cultural heritage in museums, libraries, and archives across the country. It also assists regional preservation field services provide smaller cultural institutions across the country with the advice and knowledge they need to preserve their collections. For example, a grant to the Conservation Center for Art and Historic Artifacts (CCAHA) supports training, colloquia, and webinars for 650 cultural heritage professionals and allows the organization to conduct 25 preservation surveys and provide technical consultations and educational materials to thousands of libraries, archives, museums, and historical organizations nationwide. These services especially focus on cultural heritage institutions in the Gulf Coast, Appalachia, and Intermountain West regions.

[**Indicator 7**] Smaller cultural repositories constitute the large majority of collecting institutions in the United States. These organizations often lack the resources to address the preservation needs of their collections. The Endowment's Preservation Assistance Grants provide small and mid-sized libraries, archives, museums, and historical organizations with awards of up to $10,000. Applicants can also request up to $1,000 in additional funds to support the mentorship of emerging professionals under the tutelage of a senior preservation specialist. And in 2019, the division offered awards of $15,000 for projects that encompass various themes and activities connected to the impending 250th anniversary of American independence. In the 18 years since the program began, over 2,100 grants have been made to institutions in all 50 states, the District of Columbia, Puerto Rico, and the Virgin Islands. More than 40 percent of these Preservation Assistance Grants represent a first award from the Endowment, good evidence that this grant program effectively reaches institutions not previously served by NEH.

D: To provide opportunities for Americans to engage in lifelong learning in the humanities.

PERFORMANCE INDICATORS:

1) Support efforts by museums and historical organizations to produce interpretive exhibitions and educational materials that convey significant humanities themes and topics.

- FY 2019: *27*/**27** grants are supporting exhibitions, web-based programs, and other public education programs that will employ various delivery mechanisms at museums and historical organizations across the country.

- FY 2018: *29*/**29** grants are supporting exhibitions, web-based programs, and other public education programs that will employ various delivery mechanisms at museums and historical organizations across the country.

- FY 2017: *50*/**27** grants are supporting exhibitions, web-based programs, and other public education programs that will employ various delivery mechanisms at museums and historical organizations across the country.

- FY 2016: *50*/**33** grants are supporting exhibitions, web-based programs, and other public education programs that will employ various delivery mechanisms at museums and historical organizations across the country.

2) Support substantive documentary films, radio programs, and online media presentations that advance public understanding of the humanities and promote citizen engagement in consideration of humanities issues and themes.

- FY 2019: *19*/**19** grants for television/radio projects will produce *60*/(**60**) broadcast hours and draw a cumulative audience of approximately *45*/(**45**) million people.

- FY 2018: 14/14 grants for television/radio projects will produce 47/(47) broadcast hours and draw a cumulative audience of approximately 24/(24) million people.

- FY 2017: *16*/**21** grants for television/radio projects will produce *50*/(**72**) broadcast hours and draw a cumulative audience of approximately *25*/(**70**) million people.

- FY 2016: *16*/**27** grants for television/radio projects will produce *52*/(88) broadcast hours and draw a cumulative audience of approximately *20*/(88) million people.

3) Support high quality interpretative panel exhibitions and public programs that interpret the humanities at selected libraries, museums, and cultural organization across the nation through small grants.

- FY 2019: *17*/**17** grants were made to libraries, museums and cultural organizations that receive smaller versions of NEH-funded exhibitions through the NEH on the Road cooperative agreement to be used for additional public programming.

- FY 2018: 27/27 grants were made to libraries, museums and cultural organizations that receive smaller versions of NEH-funded exhibitions through the NEH on the Road cooperative agreement to be used for additional public programming.

- FY 2017: *30*/**21** grants were made to libraries, museums and cultural organizations that receive smaller versions of NEH-funded exhibitions through the NEH on the Road cooperative agreement to be used for additional public programming.

- FY 2016: *30*/**30** grants were made to libraries, museums and cultural organizations that receive smaller versions of NEH-funded exhibitions through the NEH on the Road cooperative agreement to be used for additional public programming.

4) Support humanities projects that make creative use of new technologies to enhance the quality and reach of public humanities programming. (New indicator in FY 2015.)

- FY 2019: *7*/**20** digital projects are producing online and mobile games and virtual environments, innovative interpretive websites, mobile applications, virtual tours, and other digital formats to engage citizens in thoughtful reflection on culture, identity, and history.

- FY 2018: *10*/**13** digital projects are producing online and mobile games and virtual environments, innovative interpretive websites, mobile applications, virtual tours, and other digital formats to engage citizens in thoughtful reflection on culture, identity, and history.

- FY 2017: *10*/**13** digital projects are producing online and mobile games and virtual environments, innovative interpretive websites, mobile applications, virtual tours, and other digital formats to engage citizens in thoughtful reflection on culture, identity, and history.

- FY 2016: *10*/**5** digital projects are producing online and mobile games and virtual environments, innovative interpretive websites, mobile applications, virtual tours, and other digital formats to engage citizens in thoughtful reflection on culture, identity, and history.

ANALYSIS**:**

Availability of data. The time that elapses between an initial NEH project grant and the appearance of a completed film, exhibition, or library program may extend from six months to many years. Most of the public programs that received NEH support during FY 2019 are currently in development, and data for the associated performance indicators are not available, even in partial form. However, a more complete picture of the results of these projects will emerge cumulatively in subsequent editions of the NEH PAR. Increasingly, the Endowment's Grants Management System (GMS) database will facilitate the aggregation of data about the products, such as films and exhibitions that result from activities supported by specific NEH grants. Current and past grantees can now input data about such additional project as outcomes, journal articles, websites, documentary films, museum exhibitions, conferences, workshops,

computer software, new buildings or equipment, and academic prizes, or about media coverage, such as a book review, newspaper article, or radio interview.

FY 2019 accomplishments.

[Indicator 1] The Endowment is a major source of support for substantive humanities programs in the nation's historical and cultural institutions, such as museums, libraries and archives, historic sites, and community centers. These projects include exhibitions of artistic, cultural, and historical artifacts; the interpretation of American historic sites; reading and film discussion series in the nation's libraries; lecture series; and other lifelong learning activities. Exhibitions supported by the Endowment also encourage civic engagement at museums in thousands of communities across the nation, connecting audiences to their community's heritage and to each other.

At any time, hundreds of NEH-sponsored exhibitions are on view at large and small museums and historical sites throughout the country, enabling Americans to learn more about their nation and the world through the humanities. In FY 2018, Idaho State Historical Society received NEH funding for a permanent exhibition, *Idaho: The Land and its People*. This exhibition explores the history of Native Americans and settlement in the state of Idaho. New programs include an orientation film, an exhibition, and public programs.

Many of the Endowment's projects in museums and libraries have made a profound difference in cities and towns across America. NEH support enables museums, libraries, and cultural organizations to reach underserved groups and to engage them in thoughtful consideration of humanities ideas. One recent example is the Great Stories Club project run through the American Library Association. One initiative in this project supported programs using literature to discuss teen suicide with at-risk youth at 75 libraries across the country. The grant made available to each library training for discussion leaders that included special preparation for addressing mental health concerns, discussion guides for working with reluctant readers, and copies of books for all participants.

[**Indicator 2**] NEH supports media projects—principally film documentaries and radio series—that explore significant figures and events in the humanities and examine the history and culture of the United States. The Endowment encourages projects to include public engagement and educational resources that extend the value of the content years beyond the initial broadcast. Public engagement strategies often include screening and discussion events, websites, classroom curriculum and activities, and other creative approaches that provide for further exploration of the humanities content and expand the reach of television and radio programs in the humanities. To ensure that humanities themes and questions are well conceived, the agency requires that projects draw their content from humanities scholarship and engage a team of scholars who are knowledgeable in the subject matter and represent broad and diverse range of perspectives and areas of expertise appropriate to the themes explored.

In September, PBS broadcast *The Jazz Ambassadors* from WNET, a two-hour historical documentary exploring the use of jazz musicians by the State Department in the Cold War. The film includes a vast array of rare archival film material. When it premiered, the series garnered attention in most major publications. An NEH-funded radio and podcast series, Public Radio International's *The World in Words*, exploring the linguistic meaning of words in different countries, also premiered. Through narration, on-air contributions by scholars, and archival audio, the series provides a new perspective on the meaning of words in different cultures.

[Indicator 3] The Endowment is committed to extending the reach of high quality educational exhibitions to audiences throughout the country. Since 2005, *NEH on the Road* has achieved this objective by circulating scaled-down versions of previously funded exhibitions to mid-sized museums throughout the country. The program extends the life of funded exhibitions by several years and also brings excellent humanities projects to rural and underserved regions of the nation. NEH provides support to each host site, awarding small grants of $1,000 for local public programming and scholarly activities. NEH on the Road is particularly interested in reaching museums that have annual operating budgets of between $250,000 and $1,000,000 and are located in communities of fewer than 300,000 people.

[Indicator 4] *Digital Projects for the Public* grants support the development and production of games, mobile applications, and other interactive platforms that provide opportunities for public engagement with humanities content. The Endowment funds projects that employ the creative use of digital technologies in bringing humanities content to the public, grant products in this category often result in vital tools for educators. Like all NEH-supported public projects, projects funded in this grant line must include a team of subject area experts who can speak to the scholarship of the topic, as well as a team of media experts who can help to integrate and execute these ideas. In 2018, the program funded Ratifying the Constitution: A Digital Game Opportunity from iCivics. This interactive game creates an immersive environment that allows players to explore the history of the ratification of the United States Constitution.

South Carolina Educational Television TV Endowment of was also awarded $100,000 for *Reconstruction 360*, an immersive, online interactive documentary composed of short 360-degree videos, primary documents, audio clips, maps, and other artifacts. The project would allow users to examine multiple perspectives on the impact and legacy of Reconstruction.

E: Maintain and strengthen partnerships with the state humanities councils.

PERFORMANCE INDICATORS:

1) Support state council efforts to develop locally initiated humanities programs for the people in each state.

- FY 2019: Support for the programs and operations of the state humanities enabled high-quality, locally-initiated humanities programs throughout the nation, including *2,500*/(**2,430**) reading and discussion programs, *590*/(**556**) exhibitions, *850*/(**871**)

literacy programs, *1,500/*(**1,606**) speakers bureau presentations, *315/*(**452**) teacher institutes and workshops, *500/*(**545**) conferences and symposia, *315/*(**316**) Chautauqua events, *2,500/*(**2,615**) media program events, *600/*(**607**) technology projects, *50/*(**69**) preservation projects, and *500/*(**690**) local history projects.

- FY 2018: Support for the programs and operations of the state humanities councils enabled high-quality, locally-initiated humanities programs throughout the nation, including 2,800/(2,524) reading and discussion programs, 550(597) exhibitions, 850/(572) literacy programs, 990/(1,629) speakers bureau presentations, 315/(311) teacher institutes and workshops, 580/(438) conferences and symposia, 860/(438) Chautauqua events, 870/(1,744) media program events, 720/(452) technology projects, 45/(42) preservation projects, and 390/(192) local history projects

- FY 2017: Support for the programs and operations of the state humanities councils enabled high-quality, locally-initiated humanities programs throughout the nation, including *3875/*(**2,837**) reading and discussion programs, *625/(***555**) exhibitions, *1,100/*(**841**) literacy programs, *975/*(**987**) speakers bureau presentations, *1,300/*(**315**) teacher institutes and workshops, *1,300/*(**585**) conferences and symposia, 400*/*(**362**) Chautauqua events, *2,750/*(**863**) media program events, *2,500/*(**723**) technology projects, *115/*(**46**) preservation projects, and *1,125/(***396**) local history projects.

- FY 2016: Support for the programs and operations of the state humanities councils enabled high-quality, locally-initiated humanities programs throughout the nation, including *4,000/*(4,000) reading and discussion programs, *625/*(625) exhibitions, *1,100/*(1,100) literacy programs, *1,100/*(1,100) speakers bureau presentations, *725/*(725) teacher institutes and workshops, *1,325/*(1,325) conferences and symposia, *400/*(400) Chautauqua events, *3,250/*(3,250) media program events, 400/(400) technology projects, *190/*(190) preservation projects, and *1,350/*(1,350) local history projects.

2) Encourage high-quality, council-conducted humanities programs in the various states.

- FY 2019: Support for the programs and operations of the state humanities councils enabled high-quality, council-conducted humanities programs throughout the nation, including *7,300/*(**7,290**) reading and discussion programs, *1,700/*(**1,669**) exhibitions, *2,500/*(**2,614**) literacy programs, *4,600/*(**4,818)** speakers bureau presentations, *1,000/*(**1,355**) teacher institutes and workshops, *1,000/*(**1,634**) conferences and symposia, *1,200/*(**949**) Chautauqua events, *7,000/*(**7,844**) media program events, *1,500/*(**1,820**) technology projects, *200/*(**207**) preservation projects and *2,050/*(**2,071**) local history projects.

- FY 2018: Support for the programs and operations of the state humanities councils enabled high-quality, council-conducted humanities programs throughout the nation, including 8,500/(7,573) readingand discussion programs, 1,600/(1,792) exhibitions, 2,500/(1,715) literacy programs, 2,900/4,886 speakers bureau presentations, 940/(933) teacher institutes and workshops, 1,700/(1,313) conferences and

symposia, 1,000/(1,314) Chautauqua events, 2,500/(5,232) media program events, 2,100/(1,356) technology projects, 130/(124) preservation projects and 1,000/(577) local history projects.

- FY 2017: Support for the programs and operations of the state humanities councils enabled high-quality, council-conducted humanities programs throughout the nation, including *11,625*/(**8513**) reading and discussion programs, *1,875*/(**1666**) exhibitions, 3,300/(**2,523**) literacy programs, *2,925*/**2,961** speakers bureau presentations, *2,025*/(**946**) teacher institutes and workshops, *3,900*/(**1755**) conferences and symposia, 1,200/(**1088**) Chautauqua events, *8,250*/(**2,589**) media program events, *7,500*/(**2,169**) technology projects, *335*/(**138**) preservation projects and *3,375*/(**1,188**) local history projects.

- FY 2016: Support for the programs and operations of the state humanities councils enabled high-quality, council-conducted humanities programs throughout the nation, including *12,000*/(12,000) reading and discussion programs, *1,875*/(1,875) exhibitions, *3,300*/(3,300) literacy programs, *3,300*/3,000 speakers bureau presentations, *2,325*/(2,325) teacher institutes and workshops, *4,125*/(4,125) conferences and symposia, *1,200*/(1,200) Chautauqua events, *9,750*/(9,750) media program events, *1,200*/(1,200) technology projects, *560*/(560) preservation projects and *4,050*/(4,050) local history projects.

3) Encourage state humanities councils in their efforts to create and support humanities-rich websites and digital projects. (New indicator in FY 2015.)

- FY 2019: Support for the programs and operations of the state humanities councils enabled *11,500*/ (**12,885**) high technology projects.

- FY 2018: Support for the programs and operations of the state humanities councils enabled 6,000/ (8,784) high technology projects.

- FY 2017: Support for the programs and operations of the state humanities councils enabled *1,500/ (***6,345**) high technology projects.

- FY 2016: Support for the programs and operations of the state humanities councils enabled *1,500*/ (1,500) high technology projects.

4) Support state humanities councils in ongoing collaborations with colleges and universities, museums, libraries, historical societies, and other institutions.

- FY 2019: Support enabled *17,000*/ (**18,264**) collaborations with colleges and universities, museums, libraries, historical societies, and other institutions.

- FY 2018: Support enabled 8,200/ (12,942) collaborations with colleges and universities, museums, libraries, historical societies, and other institutions.

- FY 2017: Support enabled *5,500*/ (**8,222**) collaborations with colleges and universities, museums, libraries, historical societies, and other institutions.

- FY 2016: Support enabled *5,200*/ (5,200) collaborations with colleges and universities, museums, libraries, historical societies, and other institutions.

4) Recognize and encourage council activities that promote civil discussion, particularly of issues that divide Americans.

- FY 2019: Support enabled *9,500*/ (**9,720**) programs to promote civil discussion.

- FY 2018: Support enabled 8,500/ (10,097) programs to promote civil discussion.

- FY 2017: Support enabled *5,500*/ (**8,513**) programs to promote civil discussion.

- FY 2016: Support enabled *5,500*/ (5,500) programs to promote civil discussion.

FY 2019 accomplishments.

[**Indicator 1**] State humanities councils are nonprofit 501(c)(3) organizations governed by volunteer boards of directors. They operate in each of the fifty states as well as in the District of Columbia, Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, and Amerika Samoa. In FY 2017, the Endowment provided a planning grant to a nonprofit cultural organization towards establishing a council in the U.S. Virgin Islands. The councils fulfill the requirement in the agency's founding legislation—National Foundation on the Arts and the Humanities Act of 1965, as amended—that the Endowment support humanities programs throughout the United States.

State councils receive funds each year from the NEH appropriation according to a statutory formula. In accordance with the federal mandate, every NEH dollar that a council receives is matched by local contributions of cash, goods, or services. State humanities councils may grant a portion of their funds on a competitive basis to locally initiated programs and they may also develop and carry out their own programs. In their grant-making role, they act as foundations from which eligible organizations and individuals seek funding. In their program-generating role, they are nonprofit service providers leveraging their own resources for the enrichment of the public.

Examples of council-conducted programs for veterans include the Talking Service Program, a reading and discussion program that allows veterans to reflect on their service as well as the challenges and opportunities of transitioning from active duty to civilian life. Together with the Great Books Foundation, the New York Council gained permissions to reprint numerous excerpts of war-themed literature, ranging from notable classics like Tim O'Brien's *The Things They Carried* to acclaimed work by more recent veterans, including National Book Award Winner Phil Klay, award-winning poet Brian Turner, and Purple-Heart recipient Benjamin

Bush. The collection, Standing Down: From Warrior to Civilian, is proving to be invaluable psychological and intellectual "equipment" for veterans. The councils in Florida, Georgia, Kentucky, Montana, New Mexico, New York, Tennessee, Virginia, and Washington are now sponsoring Talking Service programs. In addition, NEH awarded the Maine Humanities Council $150,000 to expand its council-conducted project, Literature & Medicine for Veterans program, which works directly with officials of the Department of Veterans Affairs to support small- group veteran reading and discussion programs at VA facilities. Humanities councils in Alaska, Alabama, Arizona, California, Illinois, Indiana, Maine, Maryland, North Carolina, Oregon, South Dakota, Vermont, and Wyoming are also participating in this program.

[**Indicator 2**] Funds provided through the NEH Office of Federal/State Partnership enable millions of diverse Americans throughout rural areas, urban neighborhoods, and in suburban communities to engage in thousands of humanities projects and programs each year. These programs include reading and discussion programs in libraries and community centers for children, families, and the newly literate; state and local book festivals; the annual National Book Festival sponsored by the Library of Congress's Center for the Book; humanities and professional development opportunities for elementary and secondary school teachers; scholarship and stories about state and local history and culture; exhibitions at museums, libraries, and historical sites; and radio, television, and film projects about human experience and history.

State councils deliver an ever-increasing offering of inclusive programs and communicate them broadly through a wide variety of channels, including printed publications, social media, podcasts, e-mail, newsletters, YouTube videos, the NEH's quarterly HUMANITIES journal, and more.

[**Indicator 3**] State councils take optimal advantage of digital media to deliver humanities-rich programs to even broader, more diverse audiences. For example, Kansas Humanities Council co-hosted two days of interviews for the national oral history project, StoryCorps. The Council created Shared Stories of the Civil War that presents scripts about events in Kansas that can be followed on Twitter. Additionally, the Rhode Island Council for the Humanities, in collaboration with Brown University and the Rhode Island Historical Society, launched Rhode Tour, a free mobile app that enables users to tour Rhode Island – no matter where they are - through place-based stories and locally-produced multimedia. Finally, many councils have shifted from printed to digital distribution of their monthly or quarterly magazines.

[**Indicator 4**] Councils collaborate with various humanities and cultural partners across the state, including schools, libraries, historical societies, museums, literacy programs, filmmakers, teachers, researchers, writers, and storytellers. Councils also successfully collaborate with non-humanities and cultural sector partners to increase reach and impact, especially in the areas of public policy, literacy, and social service. For example, councils routinely collaborate with businesses, community leadership groups, state libraries, local government archives, farm bureaus, and state fairs. By leveraging these relationships and strong partnership with the NEH, state councils secure material support and expand their networks, all in the service of delivering funds, resources, expertise, networks, and leadership to the communities and organizations they serve.

[**Indicator 5**] State councils create opportunities for citizens to come together to address such issues as the economy, healthcare, demographics, energy, and education through discussions, informed by history and literature. These in-depth explorations of critical and potentially divisive issues not only encourage citizens to be more thoughtful and better informed, but they also increase citizen engagement, shaping the future of communities and this nation.

Several councils host programs and scholar-led discussions in restaurants, cafes, and other informal settings that attract a younger demographic. These programs cover important topics as LGBTQ history (Indiana), marriage and family life (Oregon), African- Americans and American Indians in film (Washington), the intricacies of living in a networked world (Maine), and neighborhood history (Washington, DC). These programs are vitally important to strengthening communities and fostering understanding.

One of the most successful examples of these programs in NEH history is PRIME TIME, Inc., begun in 1991 by the Louisiana Endowment for the Humanities. PRIME TIME, which has since inception spread across the country, is an award-winning program that continues to produce substantial improvements in literacy and student achievement.

ReNEW Charter Schools in New Orleans recently shared a study comparing the scores of students who participated in PRIME TIME programs versus those of non-PRIME TIME participants. The 2015-16 report shows that students who attended PRIME TIME outperformed their peers on two literacy assessments of students' language and early reading and writing behaviors. Additionally, teachers who participated as PRIME TIME facilitators or coordinators also benefited from the program. Students of the teachers who participated in 2015-16 scored 10% above school average in the STEP end-of-year mastery of print awareness objectives. In FY 2018, the Louisiana Foundation for the Humanities received a grant from the U.S. Department of Education to pilot PRIME TIME Family Reading in Head Start Programs in several Louisiana Parishes. While the impact of PRIME TIME can be measured quantitatively in terms of student outcomes (as shown in the 10-year longitudinal study, "Stemming the Tide of Intergenerational Illiteracy," published in 2010), its role in strengthening communal and familial bonds is inestimable.

F: Provide a focal point for development of the digital humanities.

PERFORMANCE INDICATORS:

1) Provide national leadership in spurring innovation and best practices in the digital humanities. (New indicator in FY 2015.)

- FY 2019: *20*/**21** Digital Humanities Advancement Grant (Level I & II) projects and *7/8* Digital Humanities Advancement Grant (Level III) projects are setting the pace for innovation within humanities research and education. These projects will receive

extensive media coverage and have a national and international impact on how new scholarship is conducted.

- FY 2018: *20*/**20** Digital Humanities Advancement Grant (Level I & II) projects and *7/8* Digital Humanities Advancement Grant (Level III) projects are setting the pace for innovation within humanities research and education. These projects will receive extensive media coverage and have a national and international impact on how new scholarship is conducted.

- FY 2017: *20*/**22** Digital Humanities Advancement Grant (Level I & II) projects and *5/***5** Digital Humanities Advancement Grant (Level III) projects are setting the pace for innovation within humanities research and education. These projects will receive extensive media coverage and have a national and international impact on how new scholarship is conducted.

- FY 2016: *16*/**18** Digital Start-Up projects and *6*/**8** Digital Implementation projects are setting the pace for innovation within humanities research and education. These projects will receive extensive media coverage and have a national and international impact on how new scholarship is conducted.

- FY 2015: *20*/**17** Digital Start-Up projects and *6*/**6** Digital Implementation projects are setting the pace for innovation within humanities research and education. These projects will receive extensive media coverage and have a national and international impact on how new scholarship is conducted.

2) Encourage and support innovative digital projects and programs that will enhance the way humanities research is conducted and the way the humanities are studied, taught, and presented in the United States.

- FY 2019: *4 / 5* national summer institutes training American scholars on digital methods for humanities research were supported. These methods, including geospatial analysis, data mining, sound analysis, information retrieval and visualization, and others, will lead to new research across humanities domains.

- FY 2018: *3*/**3** national summer institutes training American scholars on digital methods for humanities research were supported. These methods, including geospatial analysis, data mining, sound analysis, information retrieval and visualization, and others, will lead to new research across humanities domains.

- FY 2017: *4*/**4** national summer institutes training American scholars on digital methods for humanities research were supported. These methods, including geospatial analysis, data mining, sound analysis, information retrieval and visualization, and others, will lead to new research across humanities domains.

- FY 2016: *4*/**4** national summer institutes training American scholars on digital methods for humanities research were supported. These methods, including

geospatial analysis, data mining, sound analysis, information retrieval and visualization, and others, will lead to new research across humanities domains.

ANALYSIS:

Availability of data. Accurate data on the performance of the digital humanities projects that received NEH support during FY 2019 will be provided by the respective project directors in their regularly scheduled progress reports. To the extent partial data on FY 2019 activities are available, they are shown in parenthesis above. We expect to be able to report more complete FY 2019 data in the FY 2020 PAR.

FY 2019 accomplishments. Just as astronomers need telescopes to view distant stars and chemists need mass spectrometers to analyze laboratory samples, humanities scholars in the digital age need tools, methods, and infrastructure to perform their work. The very objects that scholars study on a daily basis – books, music, newspapers, images, ancient artefacts – are increasingly available in digital form and this alters the fundamental methods of humanities scholarship.

Over the years, the NEH has been an important funder of humanities tools and infrastructure. Some major examples might include an infrastructure project like the Perseus Digital Library (a digital platform used by nearly every classics professor or student in the world); a technique-based project like Livingstone Online (which developed new techniques in spectral analysis that are now widely used to uncover hidden manuscript texts like the diary of David Livingstone or religious manuscripts at St. Catherine's Monastery in the Sinai); or a methods-based project like Topic Modeling for Humanities Research (a workshop that helped bring a new text analysis technique into wide use within the humanities).

The Office of Digital Humanities is the NEH office that focuses on funding humanities tools and infrastructure and over the past ten years has emerged as an international leader in developing the digital humanities.

[**Indicator 1**] The Digital Humanities Advancement Grant (DHAG) program allows applicants to experiment, to build, and to deploy new methods, tools, and infrastructure for the humanities.

In addition to funding new research into such infrastructure, the DHAG program can also provide funding to revitalize or sustain existing infrastructure projects that have already demonstrated an important impact to the humanities. This addresses a key problem for the agency: how to *sustain* digital projects we have funded in the past, particularly those that are continuing to provide critical services to the field.

The DHAG program is relatively new, and it combines the features of two previous long-standing programs: The Digital Humanities Start-Up Grant program and the Digital Humanities Implementation Grant program.

In FY 2017, Carnegie Mellon University in Pennsylvania, in cooperation with the University of California, Berkeley, received a DHAG grant in support of *Text in Situ: Reasoning about Visual Information in the Computational Analysis of Books*. This groundbreaking project brings

together researchers from computer science, information science, literature, and classics to explore innovative new methods for computational analysis of books that look not just at the raw text, but the entire page in context, including its layout, images, and design.

[**Indicator 2**]

In FY 2018, a grant was awarded to the University of Florida to host a training institute called *Migration, Mobility, and Sustainability: Caribbean Studies and Digital Humanities*. This institute focuses on training college and university faculty and staff on new, digital methods for teaching about the history and culture of the Caribbean. Guest lecturers will include professors from the University of Puerto Rico and Florida International University.

Also, in FY 2017 Cornell University Press received a Humanities Open Book grant to make 57 books available, including titles in anthropology, classics, political science, and literary theory. The books are being distributed at no charge via numerous platforms, including Cornell Open, JSTOR, Amazon, Project MUSE, and HathiTrust. Thus far, 22 of the books have been released and have already received over 60,000 downloads.

G: Strengthen the institutional base of the humanities through financial incentives provided by matching challenge grants.

PERFORMANCE INDICATORS:

1) Encourage efforts of cultural and educational institutions to attract and increase nonfederal contributions to their humanities resources and activities.

- FY 2019: By FY 2023, NEH Challenge Grants awarded in FY 2019 will generate more than *$36*($**25)** million in nonfederal donations to recipient institutions in support of their humanities activities

- FY 2018: By FY 2022, NEH Challenge Grants awarded in FY 2018 will generate more than *$27*($**39**) million in nonfederal donations to recipient institutions in support of their humanities activities

- FY 2017: By FY 2021, NEH Challenge Grants awarded in FY 2017 will generate more than *$26*($**25**) million in nonfederal donations to recipient institutions in support of their humanities activities.

- FY 2016: By FY 2020, NEH Challenge Grants awarded in FY 2016 will generate at least an equivalent amount in nonfederal donations to recipient institutions in support of their humanities activities.

3) Support the efforts of cultural and educational institutions to use digital technologies, where appropriate, in their humanities activities

- FY 2019: The efforts of cultural and educational institutions to use digital technologies will be encouraged.

- FY 2018: The efforts of cultural and educational institutions to use digital technologies will be encouraged.

- FY 2017: The efforts of cultural and educational institutions to use digital technologies will be encouraged.

- FY 2016: The efforts of cultural and educational institutions to use digital technologies will be encouraged.

FY 2019 accomplishments. The National Endowment for the Humanities is an important source of assistance for strengthening the capacity of organizations to undertake and sustain significant humanities activities.

[Indicator 1] Since its inception in 1977, the NEH Challenge Grants program has generated more than $2.2 billion in nonfederal funds for the humanities. (Adjusted for inflation, the amount generated equals more than $4 billion.) A wide array of nonprofit organizations throughout the U.S., including museums, tribal centers, libraries, colleges and universities, scholarly research organizations, state humanities councils, public radio and television stations, and historical societies and sites, have taken up the NEH "challenge" to match federal support with nonfederal dollars as a means of strengthening their capacity for excellence in the humanities.

In FY 2018, the Georgia Historical Society was awarded a $500,000 Infrastructure and Capacity Building Challenge Grant that will leverage an additional $1.5 million in non-federal giving to support renovations to their Research Center. As the largest repository of primary humanities resources in Georgia, the Research Center's extensive collection of books, photographs, maps and drawing, manuscripts, artworks, and artifacts dealing with the history of the state is regularly used by filmmakers, researchers and the general public. The Georgia Historical Society will upgrade and renovate the mechanical, engineering, and plumbing systems in their historic Hodgson Hall (1887), and replace the building's roof and windows. In addition to more space for collections storage, the expansion will facilitate further archival processing and conservation work to prolong use and life of these important humanities collections.

[Indicator 2] In FY 2019, NEH Challenge Grants provided support for the institutional capacity that makes sustained use of advanced technology possible. For example, NEH awarded the Alexandria Archive Institute $500,000 to expand archaeological data publishing

and archiving services, to develop a data literacy program for the public, and establish a consortium to sustain open access to archaeological data in the future. A ten-year short-term endowment fund would support five staff positions at the organization, and would help strengthen, broaden, and diversify the models needed to sustain free and open scholarship.

H: Stimulate third-party support for humanities projects and programs.

PERFORMANCE INDICATORS:

1) Encourage and support efforts of educational and cultural organizations to secure nonfederal sources of funding in support of humanities projects and programs.

- FY 2019: Fund-raising by recipients of an NEH matching award generated more than *$2.0*/**2.25** million in third-party support for humanities projects.

- FY 2018: Fund-raising by recipients of an NEH matching award generated more than *$2.2*/**2.0** million in third-party support for humanities projects.

- FY 2017: Fund-raising by recipients of an NEH matching award generated more than *$2.2*/**2.2** million in third-party support for humanities projects.

- FY 2016: Fund-raising by recipients of an NEH matching award generated more than *$2.4*/**2.1** million in third-party support for humanities projects.

2) Leverage the private sector contributions of the nation's businesses, foundations, and philanthropic-minded individuals on behalf of humanities projects and programs.

- FY 2019: NEH partnerships with the private-sector will generate support for exemplary activities in the humanities.

- FY 2018: NEH partnerships with the private-sector will generate support for exemplary activities in the humanities.

- FY 2017: NEH partnerships with the private-sector will generate support for exemplary activities in the humanities.

- FY 2016: NEH partnerships with the private-sector will generate support for exemplary activities in the humanities.

ANALYSIS:

Availability of data. As a condition of their award, recipients of an NEH matching or Challenge grant must provide this agency regular reports as to the progress of their fund-raising

efforts. As well, NEH collaborates closely with its partner organizations in public/private efforts such as those described below. The terms of this information sharing relationship are stipulated in a formal cooperative agreement.

FY 2019 accomplishments.

[Indicator 1] Fund-raising by recipients of an NEH matching award generated more than $2.25 million in third-party support for discrete humanities projects. Recipients of NEH Challenge Grants leveraged an additional $25 million in nonfederal donations in support of the long-term institutional goals of humanities organizations.

[**Indicator 2**] NEH has entered into formal partnership arrangements with several of its fellow agencies and with private foundations in order to collaborate on specific projects. Currently, the NEH administers the review and evaluation of applications to the Library of Congress's John W. Kluge Fellows Program, which provides stipends to junior scholars from the U.S. and abroad to conduct research in the Library's humanities collections; and, in collaboration with the Japan-United States Friendship Commission, it conducts the evaluation of applications and serves as fiscal agent for a program to encourage American scholars' research on Japan. The Endowment maintains "Cultural Diplomacy" partnerships that include an ongoing series of academic conferences, co-sponsored by the Ministry of Culture of the People's Republic of China, that bring together Chinese and American scholars to discuss common interests in the humanities, and a joint grant program with the German Research Foundation (Deutsche Forschungsgemeinschaft e.V., DFG) to develop and implement digital infrastructures and services for humanities research.

NEH is also cooperating with the Arts and Humanities Research Council, the Economic and Social Research Council, and the Joint Information Systems Committee of the United Kingdom; the Netherlands Organization for Scientific Research; and the Social Sciences and Humanities Research Council of Canada—as well as the Institute for Museum and Library Services and the National Science Foundation in the United States—in the Digging into Data Challenge, a jointly sponsored grant program supporting the development of new research methods in the digital humanities.

The Endowment has entered into two other federal partnerships in conjunction with agency-wide initiatives. NEH and the Library of Congress signed a memorandum of understanding establishing a partnership to create the National Digital Newspaper Program. Over a period of approximately 20 years, the Endowment will provide grants to institutions and organizations in each state of the nation to digitize titles published between 1836 and 1922 and to prepare fully searchable files that the Library of Congress will permanently maintain on the World Wide Web. And, the Endowment continues its multi-year funding partnership with the National Science Foundation in support of Documenting Endangered Languages, a program to provide NEH awards to scholars engaged in recording and preserving key languages before they become extinct.

The Endowment has also been alert to opportunities to pool NEH and private-sector resources in ways that make the most of each. One noteworthy example of this collaboration is EDSITEment, a nationally recognized destination for teachers seeking rich humanities resources on the Internet. EDSITEment is a partnership between the NEH and the National Trust for the Humanities, a non-profit charitable corporation formed in 1996 to support and extend the programs of the National Endowment for the Humanities. The website, EDSITEment, now contains almost 600 scholar- and teacher-developed lesson plans for the K-12 classroom and links to more than 400 peer-reviewed sites selected for their high quality humanities content and interactive design. Over 2,200,000 unique visitors— teachers, students, and parents—avail themselves of EDSITEment's rich resources each year.

III. FINANCIAL INFORMATION

A Message from the Director of the Accounting Office

On behalf of the National Endowment for the Humanities (Endowment), it is my pleasure to present the agency's audited financial statements for fiscal year 2019. I am happy to report that our independent auditor, Leon Snead and Company, P.C., has rendered an unmodified opinion on these statements. The Endowment has obtained an unmodified (clean) opinion on the agency's financial statements for the thirteenth consecutive year, indicating the Endowment's continued responsible stewardship of the taxpayer dollars to which it has been entrusted.

The Accounting Office continues to seek opportunities to improve the delivery of information to stakeholders and streamline agency transaction processing. During this reporting period, we made significant progress towards implementing an electronic invoicing system for our commercial vendors, and we began testing a solution to streamline the collection of required information for fellowship recipients. Also, we found a no-cost, secure solution to significantly reduce paper-based payment files.

In fiscal year 2020, our office will continue our efforts to further improve and streamline accounting operations by both looking critically at our existing processes and integrating available technology into our operations where feasible. We believe that this approach, when balanced with proper internal controls, will improve operational efficiencies, enhance our ability to provide high-quality customer service to our stakeholders, and maintain proper stewardship of taxpayer resources.

Under the requirements of the Federal Managers' Financial Integrity Act of 1982, the NEH's management conducted its annual assessment and concluded that the system of internal controls, taken as a whole, complies with the internal control standards prescribed by Government Accountability Office (GAO) and provides reasonable assurance that the agency's goals and objectives are being met.

Receiving an unmodified opinion verifies that the Endowment's financial statements are fairly presented and demonstrates accountability in the execution of our fiduciary responsibilities. I want to express my sincere appreciation to all of the NEH staff members whose effort and dedication made the FY 2019 unmodified opinion possible.

Sean Doss
Director, Accounting Office

November 1, 2019

FY 2019 Audit Report

The audit report begins on the next page.

National Endowment for the Humanities

Audit of Financial Statements

As of and for the Years Ended September 30, 2019 and 2018

Submitted By

Leon Snead & Company, P.C.
Certified Public Accountants & Management Consultants

LEON SNEAD
& COMPANY, P.C.

Certified Public Accountants
& Management Consultants

416 Hungerford Drive, Suite 400
Rockville, Maryland 20850
301-738-8190
Fax: 301-738-8210
leonsnead.companypc@erols.com

Independent Auditor's Report

Inspector General, National Endowment for the Humanities
Chairman, National Endowment for the Humanities

We have audited the accompanying balance sheets of the National Endowment for the Humanities (NEH), as of September 30, 2019 and 2018, and the related statements of net cost, changes in net position, and budgetary resources for the years then ended. The objective of our audit was to express an opinion on the fair presentation of those financial statements. In connection with our audit, we also considered the NEH's internal control over financial reporting, and tested the NEH's compliance with certain provisions of applicable laws, regulations, contracts and grant agreements that could have a direct and material effect on its financial statements.

SUMMARY

As stated in our opinion on the financial statements, we found that the NEH's financial statements as of and for the years ended September 30, 2019 and 2018, are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

Our consideration of internal control would not necessarily disclose all deficiencies in internal control over financial reporting that might be material weaknesses under standards issued by the American Institute of Certified Public Accountants. However, our testing of internal control identified no material weaknesses over financial reporting.

Our tests of compliance with certain provisions of laws, regulations, and significant provisions of contracts and grant agreements disclosed no instances of noncompliance that is required to be reported under *Government Auditing Standards* and the Office of Management and Budget Bulletin 19-03, *Audit Requirements for Federal Financial Statements* (the OMB audit bulletin).

The following sections discuss in more detail our opinion on the NEH's financial statements, our consideration of NEH's internal control over financial reporting, our tests of NEH's compliance with certain provisions of applicable laws and regulations, and management's and our responsibilities.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of NEH, which comprise the balance sheets as of September 30, 2019 and 2018, and the related statements of net cost, changes in net position, and budgetary resources for the years then ended, and the related notes to the financial statements.

Opinion on Financial Statements

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NEH as of September 30, 2019 and 2018, and the related net cost, changes in net position, and budgetary resources for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America; standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and pertinent provisions of OMB Bulletin 19-03, *Audit Requirements for Federal Financial Statements* (the OMB audit bulletin). Those standards and the OMB audit bulletin require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments in a Federal agency, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing opinions on the effectiveness of the NEH's internal control or its compliance with applicable laws, regulations, and significant provisions of contracts and grant agreements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

REQUIRED SUPPLEMENTARY INFORMATION AND REQUIRED SUPPLEMENTARY STEWARDSHIP INFORMATION

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and information about stewardship investments in non-Federal physical property be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Federal Accounting Standards Advisory Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information and required supplementary stewardship information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

OTHER ACCOMPANYING INFORMATION

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The performance measures, Summary of Management Challenges, Summary of Financial Statement Audit and Management Assurances, and reporting details related to the Improper Payments Improvement Act, as amended by the Improper Payments Elimination and Recovery Act, are presented for the purposes of additional analysis and are not required parts of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

OTHER AUDITOR REPORTING REQUIREMENTS

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of NEH as of and for the years ended September 30, 2019 and 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the NEH's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the NEH's internal control. Accordingly, we do not express an opinion on the effectiveness of the NEH's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or

significant deficiencies may exist that were not identified. However, given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Because of inherent limitations in internal controls, including the possibility of management override of controls, misstatements, losses, or noncompliance may nevertheless occur and not be detected. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

As part of obtaining reasonable assurance about whether the agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and significant provisions of contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts, and certain other laws and regulations. We limited our tests of compliance to these provisions and we did not test compliance with all laws and regulations applicable to the NEH. Providing an opinion on compliance with certain provisions of laws, regulations, and significant contract provisions and grant agreements was not an objective of our audit and, accordingly, we do not express such an opinion.

In connection with our audit, nothing came to our attention that caused us to believe that NEH failed to comply with applicable laws, regulations, or significant provisions of contracts and grant agreements that have a material effect on the financial statements insofar as they relate to accounting matters. Our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the NEH's noncompliance with applicable laws, regulations, or significant provisions of contracts and grant agreements insofar as they relate to accounting matters.

Restricted Use Relating to Reports on Internal Control and Compliance

The purpose of the communication included in the sections identified as "Report on Internal Control" and "Report on Compliance" is solely to describe the scope of our testing of internal control over financial reporting and compliance, and to describe any material weaknesses, significant deficiencies, or instances of noncompliance we noted as a result of that testing. Our objective was not to provide an opinion on the design or effectiveness of the NEH's internal control over financial reporting or its compliance with laws, regulations, or provisions of contracts or grant agreements. The two sections of the report

referred to above are integral parts of an audit performed in accordance with *Government Auditing Standards* in considering the NEH's internal control over financial reporting and compliance. Accordingly, those sections of the report are not suitable for any other purpose.

Agency's Response

The management of NEH concurred with the facts and conclusions in our report. A copy of management's response accompanies this report.

Leon Snead & Company, P.C.
Rockville, MD
November 14, 2019

NATIONAL
ENDOWMENT
FOR THE
HUMANITIES

November 6, 2019

Sue Chen
Audit Manager
Leon Snead & Company, P.C.
416 Hungerford Drive, Suite 400
Rockville, MD 20850

Dear Ms. Chen:

Thank you for the opportunity to comment on the draft audit report of the National Endowment for the Humanities (NEH) for fiscal year 2019.

We concur with the facts and conclusions of your report. We are pleased to learn of the unmodified opinion on NEH's financial statements. We would like to express our appreciation for your team's hard work throughout this year's audit cycle. The collegiality and professionalism of the audit team were instrumental in our efforts to prepare and submit all of the required information.

Sincerely,

Carlos Diaz-Rosillo
Senior Deputy Chairman

cc: Laura Davis
Sean Doss

NATIONAL
ENDOWMENT
FOR THE
HUMANITIES

Audited Financial Statements

As of and for the Years Ended September 30, 2019 and 2018

NATIONAL ENDOWMENT FOR THE HUMANITIES

NATIONAL ENDOWMENT FOR THE HUMANITIES

BALANCE SHEET
As of September 30, 2019 and 2018
(in US Dollars)

		2019	2018
ASSETS			
Intragovernmental:			
	Cash & fund balances w/ U.S. Treasury (Note 2)	$ 176,998,272	$ 161,312,241
	Receivables and advances (Note 3)	1,018,392	1,067,248
	Total intragovernmental	178,016,664	162,379,489
	Receivables and advances (Note 3)	1,949,508	3,149,741
	Property and equipment, net (Note 4)	907,775	1,076,668
	TOTAL ASSETS	180,873,947	166,605,898
LIABILITIES			
Intragovernmental:			
	Accounts payable and accrued expenses (Note 5 & 8)	1,029,491	217,912
	Custodial liability	-	-
	Total intragovernmental	1,029,491	217,912
	Accounts payable and accrued expenses (Note 5 & 8)	25,383,461	21,440,381
	Unfunded FECA actuarial liability (Notes 5 & 8)	262,424	247,130
	Unfunded annual leave (Notes 5 & 8)	1,208,916	1,058,992
	TOTAL LIABILITIES	27,884,292	22,964,415
	Commitments and contingencies (Note 1)		
NET POSITION			
	Unexpended appropriations - other funds	152,413,192	143,092,352
	Cumulative results operations - other funds	(639,488)	(148,870)
	Cumulative results operations - funds from dedicated collections (Note 11)	1,215,951	698,001
	TOTAL NET POSITION	152,989,655	143,641,483
	TOTAL LIABILITIES AND NET POSITION	$ 180,873,947	$ 166,605,898

The accompanying notes are an integral part of these statements.

NATIONAL ENDOWMENT FOR THE HUMANITIES

NATIONAL ENDOWMENT FOR THE HUMANITIES

STATEMENT OF NET COST
For the Years Ended September 30, 2019 and 2018
(in US Dollars)

	2019	2018
PROGRAM COSTS (Notes 1, 12, 14, & 16)		
Bridging Cultures		
Gross costs	$ 130,832	$ 575,753
Less: earned revenue	(398)	(1,704)
Net costs	130,434	574,049
Challenge Grants		
Gross costs	8,338,356	6,252,329
Less: earned revenue	(25,380)	(18,509)
Net costs	8,312,976	6,233,820
Common Good		
Gross costs	2,576,323	4,529,866
Less: earned revenue	(7,842)	(13,410)
Net costs	2,568,481	4,516,456
Digital Humanities		
Gross costs	6,708,157	6,419,793
Less: earned revenue	(268,114)	(216,469)
Net costs	6,440,043	6,203,324
Education		
Gross costs	14,558,497	14,513,170
Less: earned revenue	(55,257)	(42,299)
Net costs	14,503,240	14,470,871
Federal/State Partnership		
Gross costs	55,801,223	53,742,702
Less: earned revenue	(169,644)	(158,889)
Net costs	55,631,579	53,583,813
Preservation and Access		
Gross costs	21,524,171	18,728,398
Less: earned revenue	(66,837)	(54,758)
Net costs	21,457,334	18,673,640
Program Development		
Gross costs	163,467	586,593
Less: earned revenue	(498)	(1,737)
Net costs	162,969	584,856
Public		
Gross costs	15,768,560	18,237,803
Less: earned revenue	(47,277)	(53,407)
Net costs	15,721,283	18,184,396
Research		
Gross costs	20,815,561	19,626,749
Less: earned revenue	(223,542)	(209,585)
Net costs	20,592,019	19,417,164
Treasury Funds		
Gross costs	2,188,518	2,483,366
Less: earned revenue	(6,661)	(7,352)
Net costs	2,181,857	2,476,014
We the People		
Gross costs	(13)	54,816
Less: earned revenue	-	(162)
Net costs	(13)	54,654
TOTAL PROGRAMS		
Gross costs	148,573,652	145,751,338
Less: earned revenue	(871,450)	(778,281)
NET COST OF OPERATIONS	$ 147,702,202	$ 144,973,057

The accompanying notes are an integral part of these statements.

NATIONAL ENDOWMENT FOR THE HUMANITIES

STATEMENT OF CHANGES IN NET POSITION

For the Years Ended September 30, 2019 and 2018
(in US Dollars)

	2019			2018		
	Funds from Dedicated Collections (Note 11)	All Other Funds	Total	Funds from Dedicated Collections (Note 11)	All Other Funds	Total
UNEXPENDED APPROPRIATIONS						
Beginning balances	$ -	$ 143,092,352	$ 143,092,352	$ -	$ 134,064,374	$ 134,064,374
Beginning balances, as adjusted	-	143,092,352	143,092,352	-	134,064,374	134,064,374
Budgetary financing sources:						
Appropriations received	-	155,000,000	155,000,000	-	152,848,000	152,848,000
Appropriations used	-	(145,679,160)	(145,679,160)	-	(143,820,022)	(143,820,022)
Total budgetary financing sources	-	9,320,840	9,320,840	-	9,027,978	9,027,978
Total Unexpended Appropriations	-	152,413,192	152,413,192	-	143,092,352	143,092,352
CUMULATIVE RESULTS OF OPERATIONS						
Beginning balances	698,002	(148,870)	549,132	920,811	(392,634)	528,177
Beginning balances, as adjusted	698,002	(148,870)	549,132	920,811	(392,634)	528,177
Budgetary financing sources:						
Appropriations used	-	145,679,160	145,679,160	-	143,820,022	143,820,022
Donations	816,017	-	816,017	36,827	-	36,827
Other financing resources (Nonexchange):						
Imputed financing (Notes 1 & 12)	-	1,234,356	1,234,356	-	1,137,162	1,137,162
Total financing sources	816,017	146,913,516	147,729,533	36,827	144,957,184	144,994,011
Net cost of operations (Note 12)	(298,068)	(147,404,134)	(147,702,202)	(259,637)	(144,713,420)	(144,973,057)
Net change	517,949	(490,618)	27,331	(222,810)	243,764	20,954
Cumulative Results of Operations	1,215,951	(639,488)	576,463	698,001	(148,870)	549,131
NET POSITION	$ 1,215,951	$ 151,773,704	$ 152,989,655	$ 698,001	$ 142,943,482	$ 143,641,483

The accompanying notes are an integral part of these statements.

NATIONAL ENDOWMENT FOR THE HUMANITIES

STATEMENT OF BUDGETARY RESOURCES
For the Years Ended September 30, 2019 and 2018
(in US Dollars)

	2019	2018
Budgetary Resources:		
Unobligated Balance from Prior Year Budget Authority, Net	$ 21,047,523	$ 10,253,368
Appropriations (discretionary and mandatory)	155,816,017	152,884,827
Spending authority from offsetting collections (discretionary and mandatory)	1,749,911	787,153
Total budgetary resources	178,613,451	163,925,348
Status of Budgetary Resources:		
New obligations and upward adjustments (total) (Note 13)	156,013,291	143,927,474
Unobligated balance, end of year:		
Apportioned, unexpired accounts	22,600,160	19,992,879
Unapportioned, unexpired accounts	-	4,995
Unexpired unobligated balance, end of year	22,600,160	19,997,874
Unobligated balance, end of year (total)	22,600,160	19,997,874
Total budgetary resources	178,613,451	163,925,348
Outlays, Net:		
Outlays, net (total) (discretionary and mandatory)	140,129,987	144,661,660
Distributed offsetting receipts (-)	(851,865)	(124,452)
Agency outlays, net (discretionary and mandatory)	$ 139,278,122	$ 144,537,208

Note: NEH does not have a non-budgetary credit reform financing account

The accompanying notes are an integral part of these statements.

National Endowment for the Humanities
Notes to the Financial Statements
As of and for the Years Ended
September 30, 2019 and 2018
(In Dollars)

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National Endowment for the Humanities
Notes to the Financial Statements
As of and for the Years Ended
September 30, 2019 and 2018
(In Dollars)

The following Notes include the disclosure requirements contained in the Office of Management and Budget (OMB) Circular A-136, "Financial Reporting Requirements" and the Federal Accounting Standards Advisory Board (FASAB) "Statements of Federal Financial Accounting Standards" (SFFAS).

Note 1 – Significant Accounting Policies

A. Reporting Entity

The National Endowment for the Humanities (NEH) is an independent grant-making agency of the United States government dedicated to supporting research, education, preservation, and public programs in the humanities. NEH was established by the National Foundation on the Arts and the Humanities Act of 1965. There are no other component entities, or balances resulting from transactions with such entities, incorporated in the agency's financial statement and/or note presentation.

B. Basis of Presentation

The financial statements are provided to meet the requirements of the Accountability of Tax Dollars Act of 2002. The statements consist of the Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, and Statement of Budgetary Resources.

C. Basis of Accounting

Transactions are generally recorded on an accrual accounting basis and a budgetary basis. Under the accrual method, revenues are recognized when earned, and expenses are recognized when liabilities are incurred, without regard to receipt or payment of cash. Budgetary accounting facilitates compliance with legal constraints and controls over the use of Federal funds. Each year, Congress provides NEH appropriations to incur obligations in support of agency programs. Budgetary accounting is the means of recording these appropriations and measuring the consumption of budget authority and other budgetary resources.

D. Revenues and Other Financing Sources

NEH receives funding through annual Congressional appropriations from the budget of the United States. No-year appropriations are used, within statutory limits, for operations and capital expenditures for essential personal property. Appropriations are recognized as revenues at the time that the related program or administrative expenses are incurred. Appropriations expended for capitalized property and equipment are recognized as expenses when assets are consumed in operations.

Note 1 – Significant Accounting Policies (continued)

The National Foundation on the Arts and the Humanities Act granted NEH the authority to receive donations and to invest in interest-bearing accounts. Accounts are maintained for restricted as well as unrestricted funding and NEH observes the same guidelines for the appropriate use of donated funds as for appropriated funds. This authority allows the Chairman to incur representation and reception expenses. NEH also earns revenue by providing reimbursable services to other Federal agencies through interagency agreements.

E. Fund Balance with Treasury

Funds with the Department of the Treasury primarily represent appropriated funds that are available to pay current liabilities and finance authorized purchase commitments. See Note 2 for additional information.

F. Advances and Prepayments

NEH records grant payments for work not yet performed at year-end as advances. The advances are recorded as expenses in subsequent fiscal years.

G. General Property, Plant and Equipment

NEH policy is to depreciate property, plant and equipment over the estimated useful life of the asset. The capitalization threshold is $50,000 for individual purchases and $50,000 for bulk purchases with a minimum of $10,000 per item. The capitalization threshold for leasehold improvements is $50,000 for individual items with a useful life of two years or more. The capitalization threshold for internal use software is $250,000 or above for aggregate costs. Service lives are listed below:

Description	Estimated Useful Life
Leasehold Improvements	Shorter of Lease Term or Improvement
Capital Leases	Term of Lease
Office Furniture	7 years
Computer Equipment and Software	3 years
Office Equipment	5 years

H. Liabilities

Liabilities represent transactions or events that have already occurred for which NEH will likely pay. No liability can be paid, however, absent an appropriation, or in some cases donated funds. Liabilities for which an appropriation has not been enacted are, therefore, classified as not covered by budgetary resources, because there is no absolute certainty that the appropriation will be enacted. Also, liabilities can be abrogated by the Government acting in its sovereign capacity.

Note 1 – Significant Accounting Policies (continued)

I. Accounts Payable

Accounts payable consists of amounts owed to other federal agencies, commercial vendors, and grantees. Accounts payable to commercial vendors are expenses for goods and services received but not yet paid by NEH. Grant liabilities are grantee expenses not yet funded or reimbursed by NEH. At fiscal year-end, NEH calculates and records an accrual for the amount of estimated unreimbursed grantee expenses.

In estimating grant accruals, NEH followed the guidelines in the Federal Accounting Standards Advisory Board's (FASAB) Statement of Federal Financial Accounting Technical Release (TR) 12, *Accrual Estimates for Grant Programs*. The purpose of TR 12 is to provide a cost-effective framework for developing reasonable estimates of accrued grant liabilities. TR 12 addresses materiality considerations, risk assessment, and procedures for estimating accruals for grant programs, including acceptable procedures until sufficient relevant and reliable historical data is available for new grant programs or changes to existing programs.

J. Accounts Receivable

NEH uses the specific identification method to recognize an allowance for uncollectible accounts receivable and related bad debt expenses.

K. Annual, Sick, and Other Leave

Annual leave is accrued as it is earned and the accrual is reduced as leave is taken. Each year, the balance in the accrued leave account is adjusted to reflect current pay rates and balances. To the extent current or prior year appropriations are not available to fund annual leave earned but not taken, funding will be obtained from future financing sources. Sick leave and other types of non-vested leave are expensed as taken.

L. Retirement Plans

NEH employees participate in the Civil Services Retirement System (CSRS) or the Federal Employees' Retirement System (FERS). FERS was established by enactment of Public Law 99-335. Pursuant to this law, FERS and Social Security automatically cover most employees hired after December 31, 1983. Employees hired before January 1, 1984, participated in CSRS unless they elected to join FERS and Social Security.

Note 1 – Significant Accounting Policies (continued)

All employees are eligible to contribute to the Thrift Saving Plan (TSP). For those employees participating in FERS, a TSP account is automatically established and NEH makes a mandatory one percent contribution to this account. In addition, NEH makes matching contributions, ranging from one to four percent, for

FERS eligible employees, who contribute to their TSP accounts. Matching contributions are not made to TSP accounts established by CSRS employees.

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

NEH does not report on its financial statements information pertaining to the retirement plans covering its employees except for imputed costs related to retirement (see L. below). Reporting amounts such as plan assets and accumulated plan benefits, if any, is the responsibility of the Office of Personnel Management.

M. Imputed Benefit Costs

NEH reports imputed benefit costs on Life Insurance, Health Insurance, and Retirement. The Office of Personnel Management (OPM) supplies certain cost factors that are applied to the Agency's records.

N. Federal Employees' Compensation Act (FECA) Actuarial Liability

The FECA provides income and medical cost protection to covered federal civilian employees injured on the job, for those who have contracted a work-related occupational disease, and for beneficiaries of employees whose death is attributable to a job-related injury or occupational disease. Claims incurred for benefits under the FECA for NEH's employees are administered by the Department of Labor (DOL) and are ultimately paid by NEH.

DOL provides a computational model for estimating a FECA actuarial liability for any federal agency not specifically listed in the results of DOL's FECA actuarial model. This computational model is based on an extrapolation from the actual charges experienced recently by NEH. This procedure is not an allocation of a listed liability amount. It is, however, a way to calculate a reasonable actuarial liability for NEH.

Note 1 – Significant Accounting Policies (continued)

The computational model takes the amount of benefit payments for the entity over the last 9 to 12 quarters, and calculates the annual average of payments for medical expenses and compensation. Both types of payments can be found in the chargeback reports that are issued quarterly by DOL. The average is then multiplied by the liability to benefits paid ratios (LBP). These ratios vary from year to year as a result of economic assumptions and other factors. The model calculates a liability approximately 12 times the annual payments.

O. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

P. Commitments and Contingencies

There are no commitments or contingencies that require disclosure.

Q. Intragovernmental Activity

Throughout these financial statements, intragovernmental assets, liabilities, revenues, and costs have been classified according to the type of entity associated with the transactions. Intragovernmental assets and liabilities are those from or to other Federal entities. Intragovernmental earned revenues are collections or accruals of revenue earned from other Federal entities and intragovernmental costs are payments or accruals to other Federal entities.

R. Stewardship Investments

Stewardship investments are substantial investments made by the Federal Government for the benefit of the nation but are not physical assets owned by the Federal Government. When incurred, they are treated as expenses in determining the net cost of operations. For the National Endowment for the Humanities, such investments are measured in terms of expenses incurred for federally-financed but not federally-owned physical property (investment in non-federal physical property).

S. Rounding

Some totals and amounts reflected on the financial statements and notes may differ due to rounding.

Note 1 – Significant Accounting Policies (continued)

T. 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

	2019	2018
Status of fund balance with Treasury:		
Unobligated balance - available	$ 22,600,160	$ 19,992,879
Unobligated balance - unavailable	-	4,995
Unfilled customer orders without advance	(719,155)	(641,557)
Receivables from federal sources	(24,636)	(2,172)
Obligated balance not yet disbursed	155,141,903	141,958,096
Custodial liability	-	-
Total	$ 176,998,272	$ 161,312,241

Fund Balance with Treasury is the aggregate amount of NEH's accounts with the U.S. Treasury from which NEH is authorized to make expenditures and pay liabilities. The trust fund includes amounts donated to NEH. Some of these funds are restricted for intended purposes.

Note 3 – Accounts Receivable and Advances

	2019	2018
Gross receivables	Current	Current
Receivables from services to federal agencies:		
Advances to federal agencies	$ 993,756	$ 1,065,076
Other receivables	24,636	2,172
Receivables from the public:		
Advances to grantees	1,806,688	2,994,196
Other receivables	142,820	155,545
Net receivables	$ 2,967,900	$ 4,216,989

Note 4 – General Property, Plant and Equipment, Net

NEH policy is to depreciate property, plant and equipment over the estimated useful life of the asset. The capitalization threshold is $50,000 for individual purchases and $50,000 for bulk purchases with a minimum of $10,000 per item. The capitalization threshold for leasehold improvements is $50,000 for individual items with a useful life of two years or more. The capitalization threshold for internal use software is $250,000 or above for aggregate costs. Property and equipment, net, consists of the following:

Major Class	Service Life and Method	Cost	Accumulated Amortization/ Depreciation	2019 Net Book Value	2018 Net Book Value
Leasehold Improvements	10 years/Straight	$ 168,722	$ (88,579)	$ 80,143	$ 97,015
Office Equipment	5 years/Straight	295,541	(156,199)	139,342	198,405
Software - Internal Use	3 years/Straight	2,612,208	(1,923,918)	688,290	638,183
Software - In Development	Not Applicable	-	-	-	143,065
Total Property, Plant & Equipment		$3,076,471	$ (2,168,696)	$ 907,775	$ 1,076,668

Note 5 – Liabilities

	2019	2018
Intragovernmental:	Current	Current
Accrued Unfunded FECA	$ 46,939	$ 45,971
Advances from others	855,463	54,600
Employee contributions & payroll taxes payable	127,089	109,483
Custodial Liability	-	-
Unemployment and workers' compensation liability	-	3,734
Accrued liabilities due to federal agencies	-	4,124
Total Intragovernmental	1,029,491	217,912
With the Public:		
Accounts Payable	208,365	93,227
Accrued funded payroll	786,982	621,964
Actuarial FECA liability	262,424	247,130
Accrued unfunded leave	1,208,916	1,058,992
Accrued liabilities due - non-Government	24,388,114	20,725,190
Total Liabilities with the Public	26,854,801	22,746,503
Total Liabilities	$ 27,884,292	$ 22,964,415

Note 6 – Leases

Occupancy Agreement:
Office Space: The National Endowment for the Humanities (NEH) occupies office space in the Constitution Center Building at 400 7th Street in the District of Columbia under an occupancy agreement with the General Services Administration (GSA). The occupancy agreement is accounted for as an operating lease. The estimate for the annual lease costs for NEH's office space for future fiscal years are below:

Fiscal Year 2019	Office Space
Future payments due:	
Fiscal year 2020	$ 3,296,134
Fiscal year 2021	3,333,747
Fiscal year 2022	3,372,488
Fiscal year 2023	3,412,392
Fiscal year 2024*	1,368,799
Total Future Lease Payments	$ 14,783,560

* - Current lease expires in February 2024

Note 7 – Incidental Custodial Collections

NEH collects funds, such as program income generated from NEH-funded projects, on behalf of the federal government. These collections, called custodial collections, are not available for NEH use and must be returned to the U.S. Treasury at the end of the fiscal year.

	2019	2018
Collections for NEH projects funded in previous years	$ 35,848	$ 87,625
Total cash collections	35,848	87,625
Disposition of collections:		
Retained by NEH	-	-
Net custodial collection activity	$ 35,848	$ 87,625

Note 8 – Liabilities Not Covered by Budgetary Resources

	2019	2018
Intragovernmental		
Accrued unfunded FECA	$ 46,939	$ 45,971
Total intragovernmental	46,939	45,971
Actuarial FECA	262,424	247,130
Accrued unfunded leave	1,208,916	1,058,992
Total liabilities not covered by budgetary resources	1,518,279	1,352,093
Total liabilities covered by budgetary resources	26,366,013	21,612,322
Total liabilities not requiring budgetary resources	-	-
Total Liabilities	$ 27,884,292	$ 22,964,415

Liabilities covered by budgetary resources represent agency liabilities that are funded by existing Congressional appropriations. Liabilities not covered by budgetary resources are liabilities that will require a future Congressional appropriation in order to pay. Liabilities not requiring budgetary resources represent custodial collections that are due to the general fund of the U.S. Treasury and are not available for agency use.

Note 9 – Inter-Entity Costs

Goods and services are received from other federal entities at no cost or at a cost less than the full cost to the providing federal entity. Consistent with accounting standards, certain costs of the providing entity that are not fully reimbursed by NEH are recognized as imputed costs in the Statement of Net Cost, and are offset by imputed revenue in the Statement of Changes in Net Position. For NEH, these imputed costs and revenues relate specifically to employee benefits that are administered by the Office of Personnel Management. However, unreimbursed costs of goods and services other than employee benefits administration are not included in our financial statements.

Note 10 – Explanation of Differences between the Statement of Budgetary Resources and the Budget of the United States Government

The President's Budget which includes actual numbers for fiscal year 2019 has not been published. Actual numbers for fiscal year 2019 will be included in the President's Budget for fiscal year 2021, which will be published in February 2021 and will be available at http://www.whitehouse.gov/omb/budget.

There are no material differences between the amounts reported in the FY 2018 Statement of Budgetary Resources and the 2018 actual amounts reported in the Budget of the United States Government. Any differences in the table below are due to the rounding of the amounts in the Budget of the United States Government.

FY 2018 (in millions of dollars)	Budgetary Resources Available for Obligation	New Obligations & Upward Adjustments (Total)	Distributed Offsetting Receipts	Net Outlays
Budget of the US Government	$ 165	$ 145	$ -	$ 145
Statement of Budgetary Resources	164	144		145
Differences (due to rounding)	$ (1)	$ (1)	$ -	$ -

Note 11 – Funds from Dedicated Collections

The Statement of Federal Financial Accounting Standards 43: *Funds from Dedicated Collections: Amending Statement of Federal Financial Accounting Standards 27, Identifying and Reporting Earmarked Funds SFFAS No. 27, Identifying and Reporting Earmarked Funds*, changed the term "earmarked funds" to "funds from dedicated collections." SFFAS 43 also amended the definition as follows. Generally, funds from dedicated collections are financed by specifically identified revenues, provided to the government by non-federal sources, often supplemented by other financing sources, which remain available over time. These specifically identified revenues and other financing sources are required by statute to be used for designated activities, benefits or purposes, and must be accounted for separately from the government's general revenues.

Pursuant to authority set forth in its authorizing statute, at 20 U.S.C. 959(a)(2), and at P.L. 106-113, Sec. 319, the NEH is authorized to solicit, accept and invest money and other property donated to the agency. Section 959(a)(2) authorizes the Chairman of the NEH, with the recommendation of the National Council on the Humanities, to "receive money and other property donated, bequeathed, or devised to [the] Endowment with or without condition or restriction." There are two types of donations accepted by the Endowment: unrestricted and restricted gifts. An unrestricted gift is one made to the Endowment with no limitations on how the gift is to be used. A restricted gift explicitly states how the gift is to be used.

Donations to the Endowment must be used for a purpose consistent with the agency's mission and authorizing legislation. The general authority of the Chairman to carry out the functions of the Endowment is enumerated in 20 U.S.C. 956(c).

Note 11 – Funds from Dedicated Collections – (continued)

	2019			2018		
Balance Sheet, as of September 30th	**Funds from Dedicated Collections Donations & Gifts**	**Eliminations**	**Total Funds from Dedicated Collections**	**Funds from Dedicated Collections Donations & Gifts**	**Eliminations**	**Total Funds from Dedicated Collections**
Assets						
Fund Balance with Treasury	$ 1,217,666	$ -	$ 1,217,666	$ 693,337	$ -	$ 693,337
Other Assets - Intragov't Advances	60,252	-	60,252	63,104	-	63,104
Total Assets	1,277,918	-	1,277,918	756,441	-	756,441
Liabilities	61,968	-	61,968	58,439	-	58,439
Cumulative Results of Operations	1,215,951	-	1,215,951	698,002	-	698,002
Total Liabilities and Net Position	1,277,919	-	1,277,919	756,441	-	756,441
Statement of Net Cost, for the year ended September 30th						
Gross Program Costs	298,068	-	298,068	259,637	-	259,637
Less Earned Revenues	-	-	-	-	-	-
Net Program Costs	298,068	-	298,068	259,637	-	259,637
Costs not Attributable to Program Costs	-	-	-	-	-	-
Less Earned Revenues not Attributable to Program Costs	-	-	-	-	-	-
Net Cost of Operations	298,068	-	298,068	259,637	-	259,637
Statement of Changes in Net Position, for the year ended September 30th						
Net Position, Beginning of Period	698,002	-	698,002	920,811	-	920,811
Non-Exchange Revenue	816,017	-	816,017	36,827	-	36,827
Net Cost of Operations	298,068	-	298,068	259,637	-	259,637
Change in Net Position	517,949	-	517,949	(222,810)	-	(222,810)
Net Position, End of Period	$ 1,215,951	$ -	$ 1,215,951	$ 698,001	$ -	$ 698,001

National Endowment for the Humanities
Notes to the Financial Statements
As of and for the Years Ended
September 30, 2019 and 2018
(In Dollars)

Note 12– Reconciliation of Net Cost to Net Outlays

	2019			2018		
	Intra-governmental	With the Public	Total	Intra-governmental	With the Public	Total
Net Operating Cost (SNC)	$ 8,588,731	$ 139,113,471	$ 147,702,202	$ 8,320,735	$ 136,652,322	$ 144,973,057
Components of Net Operating Cost Not Part of the Budgetary Outlays						
Property, plant, and equipment depreciation	-	(467,471)	(467,471)	-	(389,356)	(389,356)
Other	-	298,578	298,578	-	461,969	461,969
Increase/(Decrease) in assets:						
Accounts receivable	22,464	(12,725)	9,739	2,172	(20,618)	(18,446)
Other assets	(71,321)	(1,187,507)	(1,258,828)	(49,146)	535,804	486,658
Investments						
(Increase)/Decrease in liabilities not affecting Budget Outlays						
Accounts payable	(796,739)	(115,138)	(911,877)	(8,706)	(63,389)	(72,095)
Salaries and benefits	(13,872)	(165,018)	(178,890)	(489)	(23,095)	(23,584)
Other liabilities (Unfunded leave, unfunded FECA, actuarial FECA)	(968)	(3,828,142)	(3,829,110)	(750)	203,581	202,831
Other financing sources						
Federal employee retirement benefit costs paid by OPM and imputed to agency	(1,234,356)	-	(1,234,356)	(1,137,162)	-	(1,137,162)
Total Components of Net Operating Cost Not Part of the Budget Outlays	(2,094,792)	(5,477,423)	(7,572,215)	(1,194,081)	704,896	(489,185)
Components of the Budget Outlays That Are Not Part of Net Operating Cost						
Acquisition of capital assets	-	-	-	177,788	-	177,788
Other	(35,848)	(816,017)	(851,865)	(87,625)	(36,827)	(124,452)
Total Components of the Budgetary Outlays That Are Not Part of Net Operating Cost	(35,848)	(816,017)	(851,865)	90,163	(36,827)	53,336
Net Outlays	$ 6,458,091	$ 132,820,031	$ 139,278,122	$ 7,216,817	$ 137,320,391	$ 144,537,208
Related Amounts on the Statement of Budgetary Resources						
Outlays, net			140,129,987			144,661,660
Distributed offsetting receipts			(851,865)			(124,452)
Agency Outlays, Net			$ 139,278,122			$ 144,537,208

Note 13 – New Obligations and Upward Adjustments

Obligations Incurred	2019	2018
Direct:		
1. Category A total, direct obligations	$ -	$ -
2. Category B total, direct obligations	154,256,015	142,988,639
3. Exempt from apportionment	-	-
Reimbursable:		
1. Category A total, direct obligations	-	-
2. Category B total, direct obligations	1,757,276	938,835
3. Exempt from apportionment	-	-
Total direct and reimbursable	$ 156,013,291	$ 143,927,474

Note 14 – Exchange Revenues for Reimbursable Services Activities

Pricing policy – Generally, when providing products and services, NEH sets prices to recover the full costs incurred unless otherwise noted in the interagency agreement.

Note 15 – Undelivered Orders at the End of the Period

On the Statement of Budgetary Resources, the obligated balance, net, end of period includes the following:

	2019	2018
Federal Undelivered Orders:		
Unpaid	$ 696,139	$ 713,781
Paid	993,755	1,065,076
Total Federal Undelivered Orders	1,689,894	1,778,857
Non-Federal Undelivered Orders:		
Unpaid	128,935,214	119,686,593
Paid	1,806,688	2,994,196
Total Non-Federal Undelivered Orders	130,741,902	122,680,789
Total, Undelivered Orders at the End of the Period	$ 132,431,796	$ 124,459,646

Note 16 – Statement of Net Cost

Matching Grants - Challenge Grants and Treasury Fund Grants

Matching grants are awarded in most programs of the Endowment. A matching award entails an offer of NEH funding that is conditioned on an equivalent amount of fund-raising by the recipient. The Endowment uses two types of matching grants: Challenge Grants and Treasury Fund Grants.

Challenge grants are used to assist organizations in developing long-term sources of support for humanities programs, activities and resources. Some examples include the establishment of endowment funds, the purchase of capital equipment, the retirement of debt, and the renovation or construction of facilities. Recipients of a challenge grant must match every federal dollar with three nonfederal dollars in gifts to the grant recipients.

Treasury Fund grants are appropriated funds used to match nonfederal contributions in support of humanities projects. Treasury matching grants, which match nonfederal donations on a one-to-one basis, have proven to be an effective mechanism for leveraging the contributions of businesses, foundations, and individuals on behalf of the humanities.

Note 17 – Change in Accounting Principle

During the fiscal year, NEH reviewed its policy related to advance grant and cooperative agreement payments against 2 CFR 200, which governs the administration of NEH grant and cooperative agreement awards. As a result of this review, the agency updated its policy by reducing the advance period from 30 days to "immediate cash needs", which is defined as three to five business days for NEH. This reduced advance period results in smaller advance balances being presented on the balance sheet for current and future fiscal year reporting.

SFFAS 53, *Budget and Accrual Reconciliation* became effective in FY 2019, requiring a change to its note disclosure previously titled Note 11 - Reconciliation of Net Cost of Operations to Budget. It is now replaced with the note titled Note 11 – Reconciliation of Net Cost to Net Outlays.

SFFAS 56, *Classified Activities* became effective in FY 2019, requiring a note disclosure describing the circumstances around the disclosure of classified information. This information is described in Note 1T – Classified Activities.

Note 1D – Revenues & Other Financing Sources and Note 9 – Inter-Entity Costs were updated to provide more detail about reimbursable services and imputed costs, respectively.

National Endowment for the Humanities

Required Supplementary Stewardship Information
Stewardship Investments
(Unaudited)
As of September 30, 2019

Investment in Non-Federal Physical Property

The National Endowment for the Humanities (NEH) provides a long-term benefit to the public by maintaining its commitment to investing in non-Federal physical property. Non-Federal physical property refers to expenses incurred by the Federal government for the purchase, construction, or major renovation of physical property owned by state and local governments, including major additions, alterations, and replacements; the purchase of major equipment; and the purchase or improvement of other physical assets.

NEH's investment in non-Federal physical property currently includes facilities, structures, and equipment. The principal program funding this investment is Challenge Grants. This program is best understood as a lasting partnership between the community of humanities institutions and NEH. Through this program, NEH invested funding in historic buildings, conservation centers, cultural heritage sites, research and lab centers, museums, and libraries. For example, NEH grants funded: the restoration of buildings at the Historic Dyess Colony, Arkansas; the construction of a new library building in Cornelius, Oregon; and the renovation of the historic Hilton Mansion House, Baltimore, Maryland.

The following exhibit shows the National Endowment for the Humanities investment in non-Federal physical property displayed in five major categories for FY 2019 and the previous four fiscal years.

Type of Property	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Historic Home/Building	$ -	-	-	-	255,500
Cultural Heritage Sites	-	-	-	-	57,433
Conservation Center	-	-	-	-	-
Museum/Library	548,906	612,472	188,891	-	793,554
Research/Lab Center	48,091	-	267,933	207,067	775,000
Total	$596,997	612,472	456,824	207,067	1,881,487

IV. Other Accompanying Information

NEH Inspector General's Summary of Management Challenges

The Inspector General's report begins on the next page.

Management and Performance Challenges for the

National Endowment for the Humanities

FY 2019

Information Technology Security

Risks to Federal government information and communication systems include insider threats from disaffected or careless employees and business partners; escalating and emerging threats from around the globe; the ease of obtaining and using hacking tools; the steady advance in the sophistication of attack technology; and the emergence of new and more destructive attacks. The National Endowment for the Humanities (NEH) relies on information management systems to carry out the agency's mission and operations, and to process, maintain, and report essential information. Such dependence makes the agency's core information systems potentially vulnerable to cyber-based threats. The *Federal Information Security Modernization Act of 2014* (FISMA) require each Federal agency to develop, document, and implement an agency-wide program to provide information security and develop a comprehensive framework to protect the government's information, operations, and assets. The NEH has committed to the maintenance of information security policies and procedures consistent with FISMA and National Institute of Standards and Technology (NIST) requirements and the Agency continues to undertake efforts to institutionalize those policies and procedures. However, full implementation of an effective information security program represents an ongoing challenge for the NEH.

The NEH has not fully implemented information security continuous monitoring. The NEH *Security Program and Risk Management Plan* (the "Plan"), issued during FY 2012, outlines the agency-wide strategy for managing information security and risk. A purpose of the Plan is to promote the concept of near real-time management and ongoing information system authorization through the implementation of robust continuous monitoring processes. The Plan further mandates the development of a continuous monitoring plan (CMP) for each major information management system, which will describe how the information system will be monitored and assessed for risk throughout its life cycle. While the Agency has instituted many of the fundamental components of information security continuous monitoring, budget constraints over the years and competing priorities for Office of Information Resources Management staff have delayed the completion and compliance testing of individual CMPs for core information management systems. Risk assessment is the foundational tool used to facilitate thoughtful and purposeful cyber defense strategies. Documented continuous monitoring plans facilitate ongoing awareness and assessment of information security vulnerabilities and threats to NEH systems and information.

NEH leadership has approved the allocation of FY 2019 and FY 2020 funding to support the updated assessment and authorization (A&A) of two core information management systems. The A&A process is a comprehensive assessment of information system policies, technical/non-technical security components, documentation, vulnerabilities, and supplemental safeguards. The A&A process establishes the extent to which a particular design and implementation meet a set of specified security requirements defined by the NEH, Federal government guidelines, and Federal mandates. Upon being granted the authorization to operate, the information management system will be placed into the NEH information security continuous monitoring program, which will maintain ongoing awareness of information security, vulnerabilities, and threats to the system. The A&A process for the first information management system is in progress and is scheduled to be completed by March 2020, at which time the A&A of the second system will begin. Cyber-based intrusions and attacks on Federal systems are evolving and becoming more sophisticated. Therefore, it is critical that NEH continue its focus on maintaining an effective information security program.

Continuity of Operations Program

In order to ensure the preservation of our form of Government under all conditions, it is the policy of the United States to maintain a comprehensive and effective continuity capability composed of Continuity of Operations (COOP) and Continuity of Government (COG) programs. Continuity planning is the good business practice of ensuring the seamless and immediate execution of essential functions through all circumstances, so that critical government functions and services remain available to the Nation's citizens. Further, agency information management systems are vulnerable to a variety of disruptions, ranging from mild (e.g., short-term power outage, disk drive failure) to severe (e.g., equipment destruction, fire). NEH must fully integrate continuity planning and procedures into all aspects of daily operations to foster a "culture of continuity". This approach will enable the Agency to effectively respond to and recover from a catastrophic emergency. The NEH has a documented business continuity and disaster recovery policy that generally provides sufficient direction and guidance to reduce confusion and potential impact from a disruptive event or disaster. Information system contingency plans are integrated with the agency's continuity of operations plan. However, limited activity has been extended to the testing and evaluation of the agency's continuity of operations plan over the past few years, (inclusive of information system contingency plans). This represents a recurring management challenge.

According to Federal Continuity Directive 1, *Federal Executive Branch National Continuity Program and Requirements*[2], all organizations must incorporate a test, training, and exercise (TT&E) strategy into continuity programs. Recurring training programs inform and familiarize leaders and staff with continuity plans and procedures. Exercise programs (both planned and short/no-notice events) improve the organization's

[2] Federal Continuity Directive 1 (FCD-1) was issued by the Secretary of Homeland Security through the Administrator of the Federal Emergency Management Agency. FCD-1 establishes the framework, requirements, and processes to support the development of executive department and agency continuity programs and by specifying and defining elements of a continuity plan.

preparedness posture, and emphasize the value of integrating continuity activities into daily operations. Tests and exercises serve to assess and validate all components of continuity plans, policies, procedures, systems, and facilities used to respond to and recover from an emergency situation, and identify issues for subsequent improvement. The last comprehensive exercise to evaluate NEH continuity planning and disaster recovery procedures was conducted in July 2012.

Reporting and Data Integrity

The use of data is transforming society, business, and the economy. Therefore, the Federal Government must report high quality data to maintain the trust placed in it by the American people. OMB Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*[3], requires Federal agencies to manage risk in relation to achievement of reporting objectives, through implementation of control activities and processes that support overall data quality contained in agency reports.

The passage of the *Digital Accountability and Transparency Act of 2014* (DATA Act) and the focus on open data transparency has prioritized the goal of producing and publishing quality spending data. Pursuant to the DATA Act, the NEH is required to report financial and award data for publication on USASpending.gov on a quarterly basis. The quality of the information published depends on implementation of effective internal control over reporting, specifically concerning the input and validation of agency data submitted to USASpending.gov. Appendix A to OMB Circular A-123, *Management of Reporting and Data Integrity Risk*[4], includes a specific requirement for Federal agencies to develop and maintain a Data Quality Plan that considers the incremental risks to data quality in Federal spending data and any controls that would manage such risks. This plan was to be developed by FY 2019, and should be reviewed and assessed annually for three years or until the agency determines that sufficient controls are in place to achieve the reporting objective. NEH management anticipated that the agency's Data Quality Plan would be established by September 30, 2019. Further, the results of the Office of Inspector General FY 2017 audit of the agency's compliance with the DATA Act indicate a need for NEH management to strengthen controls over DATA Act reporting. Accordingly, this area is considered to be a management challenge.

Enterprise Risk Management

Enterprise Risk Management (ERM) is an effective agency-wide approach to addressing an organization's external and internal risks through an understanding of the combined impact of risks as an interrelated portfolio, rather than addressing risks only within silos. ERM provides an enterprise-wide, strategically-aligned portfolio view of organizational challenges that informs decisions concerning the priority of resource allocations to ensure successful mission delivery. OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, requires agencies to implement an

[3] OMB Memorandum M-16-17 dated July 15, 2016

[4] OMB Memorandum M-18-16 dated June 6, 2018

ERM capability coordinated with the strategic planning and strategic review process established by the Government Performance and Results Act Modernization Act and the internal control processes required by the Federal Managers' Financial Integrity Act and the Standards for Internal Control in the Federal government, as issued by the Comptroller General of the United States.

The NEH has undertaken efforts to initiate an ERM program through the establishment of a Risk Management Council and engagement in enterprise-wide identification and assessment of risks. However, due to competing priorities, the agency's ERM efforts have stalled. Implementing ERM requires the full engagement and commitment of senior leaders, which advances the role of leadership in the agency goal setting process and demonstrates to agency staff the importance of ERM. Since ERM is a dynamic and iterative process, NEH leadership must remain focused on maturing the NEH processes and procedures, ensuring that program and function risk assessments are fulsome and used to inform enterprise risk management and the quality of strategic decision-making.

Chairman's Response to Inspector General's Summary of Management Challenges

NATIONAL ENDOWMENT FOR THE HUMANITIES

MEMORANDUM

Date: November 14, 2019

To: Laura Davis
Inspector General

From: Jon Parrish Peede
Chairman

Thank you for your thoughtful assessment of the most significant management challenges facing NEH as we enter fiscal year 2020. Our responses to your specific concerns are detailed below.

Information Technology Security

Thank you for acknowledging the progress NEH has made in the past few years by utilizing my approved allocation of FY 2018, FY 2019 and FY 2020 funding to hire a CISO and select an independent system assessor to support the A&A process. The preparation for the A&A process will yield completed Continuous Monitoring Plans (CMPs) for each of NEH's core information management systems and their compliance will also satisfy the NEH Security Program and Risk Management Plan issued in FY 2012. As noted in your challenge, this key spending puts the agency in position to move ahead this year with our continuous monitoring program. The first A&A will be a model for our other systems in the coming years. We will continue to focus on this issue which will drive an effective information security program. We will have NEH's CISO continue to provide quarterly updates to you on our A&A progress.

Continuity of Operations Program

We acknowledge the need to test our Continuity of Operations Plan (COOP) on a regular basis. In May of this year, the agency held a "table-top" exercise, which led to deeper discussion on a variety of continuity topics and potential updates to the existing COOP policies and procedures. In June, NEH COOP coordinators met with a FEMA evaluator to discuss, among other topics, the NEH COOP training plan. In August of this year, members of the agency COOP Emergency Response Team (ERT) attended training and held additional conversations to further improve the existing plan. Additional progress on COOP was made this year with the first submission of the agency's Federal Continuity Assessment Tool (FCAT). NEH achieved a

score of 8.2 out of 10 on its September 2019 assessment, placing us in the green zone which is considered satisfactory. NEH routinely tests the emergency notification system, which includes a requirement for staff to provide a positive response several times a year. In the next year, we will test our incident response plan and further expand our COOP program to include awareness training for the entire workforce.

Reporting and Data Integrity

NEH improved a number of areas related to DATA Act reporting, including automating the preparation of two of the three DATA Act submission files. We are making progress on automating the third file, which will allow additional resources to be placed on monitoring rather than preparation. We completed the Data Quality Plan during the fiscal year, which details the use of a variety of controls to ensure accurate data and will update the plan as necessary to address new and evolving requirements. The agency improved its reporting of award activities through increased internal coordination among the responsible agency offices and built additional tools to assist with both identifying and tracking reportable procurement transactions.

Enterprise Risk Management

We acknowledge this challenge and understand its importance as a part of a comprehensive, agency-wide approach to risk management. The agency plans to take steps to staff this position with duties that have a strategic planning and ERM focus. This position will serve as an essential, agency-wide advisor to management to address risks and to develop solutions for the agency as a whole and will help the agency mature in its implementation of ERM through strong leadership.

Summary of Financial Statement and Management Assurances

Table 1 - Summary of Financial Statement Audit for the Year Ending September 30, 2019

Audit Opinion	Unqualified				
Restatement	No				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
No items to report	0	-	-	-	0
Total Material Weaknesses	0	-	-	-	0

Table 2 - Summary of Management Assurances for the Year Ending September 30, 2019

Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)						
Statement of Assurance	Unqualified					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
No items to report						
Total Material Weaknesses	0	-	-	-	-	0
Effectiveness of Internal Control over Operations (FMFIA § 2)						
Statement of Assurance	Unqualified					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
No items to report	0	-	-	-	-	0
Total Material Weaknesses	0	-	-	-	-	0
Conformance with Financial management system requirements (FMFIA § 4)						
Statement of Assurance	Systems conform financial management system requirements					
Non-conformances	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
No items to report	0	-	-	-	-	0
Total Material Weaknesses	0	-	-	-	-	0

Compliance with Federal Financial Management Improvement Act (FFMIA) *Not Applicable to Non-CFO Act Agencies per OMB Circular A-127 Sec. 8D		
	Agency	Auditor
Overall Substantial Compliance	Not Applicable*	Not Applicable*
1. System Requirements	Not Applicable*	
2. Accounting Standards	Not Applicable*	
3. USSGL at Transaction Level	Not Applicable*	

Payment Integrity

The Improper Payments Information Act of 2002 (IPIA) requires each agency to assess its programs and identify which, if any programs may be subject to high risk with respect to improper payments, and take corrective measures, as necessary. OMB has established specific reporting requirements for agencies with programs that possess a significant risk of erroneous payments and for reporting on results of recovery auditing activities.

On July 22, 2010, the President signed into law the Improper Payments Elimination and Recovery Act (IPERA, Public Law 111-204), which amends the IPIA Act, generally repeals the Recovery Auditing Act (RAA, Section 831 of the FY 2002 Defense Authorization Act, Public Law 107-107), and significantly increases agency payment recapture efforts ─ by expanding the types of payments that can be reviewed and lowering the threshold of annual outlays that requires agencies to conduct payment recapture audit programs.

A subsequent statute, the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA, Public Law 112-248), was signed into law on January 10, 2013. IPERIA mandates that agencies to improve the quality of oversight for high-dollar and high-risk programs, and it requires agencies to share data regarding recipient eligibility and payment amounts.
IPERA defined a significant erroneous payment as an annual erroneous payment in a program that (1) exceeds both 2.5 percent of program outlays and $10,000,000 of all program or activity payments made during the fiscal year reported or (2) $100,000,000 (regardless of the improper payment percentage of total program outlays). The new law establishes a 2.5 percent improper payment rate threshold to determine risk susceptible programs (in addition to the monetary threshold identified above). OMB has determined as a policy matter that, beginning with fiscal year 2013 reporting, agencies should instead apply a 1.5 percent improper payment rate (with other aspects of the above definition unchanged). IPERIA defines "payment" as payments made to Federal employees as well as non-Federal persons or entities. As a result, agencies are not obligated to review payments to other Federal agencies.

On October 20, 2014, the Office of Management and Budget (OMB) issued government-wide guidance on the Improper Payments Elimination and Recovery Act (IPERA) in OMB Memorandum M-15-02: *Appendix C to OMB Circular A-123, Requirements for Effective Estimation and Remediation of Improper Payments*. Federal agencies are required to follow the steps in the revised A-123 to determine whether the risk of improper payments is significant and to provide valid annual estimates of improper payments.

For more detailed information on improper payments and to view information previously reported in the NEH Performance and Accountability Report that is not found in this year's PAR can be accessed at https://paymentaccuracy.gov/.

NEH Payment Reporting

Estimated Amount of Payments Properly and Improperly Paid (in thousands of dollars)

Program Activity	Total Outlays	Proper Payments		Improper Payments			
				Known and Documented		Unknown and Undocumented	
		Dollars	Rate	Dollars	Rate	Dollars	Rate
Definite Grant Fund	$105	$105	100%	$0	0%	$0	0%

Estimated Amount of Monetary, Non-Monetary, and Unknown Losses from Improper Payments (in thousands of dollars)

Loss Type	Within NEH's Control		Outside NEH's Control	
	Dollars	Rate	Dollars	Rate
Monetary	$0	0%	$0	0%
Non-Monetary	$0	0%	$0	0%
Unknown	$0	0%	$0	0%

Estimated Ratio of Underpayments and Overpayments for Identified Improper Payments (in thousands of dollars)

Program Activity	Total Estimated Improper Payments	Underpayments		Overpayments	
		Dollars	Rate	Dollars	Rate
Definite Grant Fund	$0	$0	0%	$0	0%

Estimated Amount of Improper Payments Originating from the Federal Government vs. Recipients of Federal Funds (in thousands of dollars)

Program Activity	Total Estimated Improper Payments	Originating Directly from Federal Government		Originating from Recipients of Federal Funds	
Definite Grant Fund	$0	$0	0%	$0	0%

Improper Payment Root Cause Category Matrix
(in thousands of Dollars)

Reason for Improper Payment		Definite Program Fund	
		Overpayments	Underpayments
Program Design or Structural Issue		$0	$0
Inability to Authenticate Eligibility	Inability to Access Data	$0	$0
	Data Needed Does Not Exist	$0	$0
Failure to Verify:	Death Data	$0	$0
	Financial Data	$0	$0
	Excluded Party Data	$0	$0
	Prisoner Data	$0	$0
	Other Eligibility Data	$0	$0
Administrative or Process Errors Made by:	Federal Agency	$0	$0
	State or Local Agency	$0	$0
	Other Party	$0	$0
Medical Necessity		$0	$0
Insufficient Documentation to Determine		$0	$0
Other		$0	$0

Corrective Action Plans to Reduce Improper Payments

Controls currently in place effectively prevent improper payments. Despite this encouraging result, the agency continues to reassess its processes and adjust its policies and procedures as necessary. The agency continues to explore options to modernize the payment process through implementing electronic systems. Because of the low improper payment rate experienced, NEH continues to set a goal of zero improper payments for FY 2020 and future years for the Definite Grant Fund program.

Recovery Of Improper Payment And Recapture Audits

NEH has not identified any grant program that constitutes a high-risk for improper payments. Therefore, NEH considers all of its payments to fall within the realm of low-risk. Because of the results of sampling and additional review, conducting post-payment reviews or recapture audits would not be cost effective.

For administrative programs, the majority of NEH administrative costs are payroll costs related to personnel compensation. Outlays of payroll funds must follow strict payroll policies, procedures, and system controls maintained by our payroll service provider, who disburses funds to agency employees on behalf of NEH. Because of the strength of controls surrounding payroll outlays, and the relatively small size and volume of non-payroll disbursements, post-payment reviews and recapture audits would not be cost effective for this program.

Amount of Improper Payments Identified for Recapture (in thousands of dollars)

Program	Total Improper Payments Identified for Recapture	Identified Through Payment Recapture Audits	% of Total	Identified from Other Sources	% of Total
Definite Grant Fund	$0	$0	0%	$0	0%
Matching Grants	$0	$0	0%	$0	0%
Administration	$0	$0	0%	$0	0%

Because NEH only has no-year funding, nothing is returned to Treasury. Instead, for overpayment amounts that are recaptured, funds are collected and then made available for re-use within the existing obligation (if still active), or made generally available for obligation elsewhere under the original purpose of the funds.

Aging Schedule of Outstanding Improper Payments Not Collected (in thousands of dollars)

Source of Identified Overpayments		% of Total of Overpayments Identified for Recapture	Time Outstanding		
			0 to 6 Months	6 Months to 1 Year	Over 1 Year
Payment Recapture Audits		0%	$0	$0	$0
Other Sources	Post-Payment Reviews	0%	$0	$0	$0
	Self-Reported Overpayments	0%	$0	$0	$0
	Office of Inspector General Reviews	0%	$0	$0	$0

NEH Use of the Do Not Pay System

NEH uses the continuous monitoring feature of the Do Not Pay system, which notifies NEH staff of any existing vendors, grantees, or employees that have a potential match against several databases including the Social Security Death Master File, the General Services Administration Excluded Parties List System, the Department of the Treasury's Debt Check Database, among others. These potential matches are investigated to determine payment eligibility and may prevent improper payments. Of those potential matches that were investigated, it was determined that none of the payments made were improper. NEH continues its strenuous review of authoritative systems as part of its contract and grant award and payment process, including use of the System for Award Management (SAM), which reports payees who have expired registration and delinquent federal debt. Given that payment sample testing has yielded zero

improper payments over the past several years, this system will further enhance and ensure a minimal amount of improper payments. NEH expects that the continuous monitoring feature within the Do Not Pay system will continue to assist with data validation and serve as an aid to ensure data quality.

Management Accountability

Existing control processes and the implementation of the revised OMB Circular A-123 requirements continue to ensure that NEH's internal controls over financial reporting and systems are documented, sufficiently tested, and properly assessed. In turn, improved internal controls enhance safeguards against improper payments, fraud, waste, and abuse better ensure that the taxpayer dollars continue to be used effectively and efficiently to meet NEH's program objectives.

Agency Information Systems and Other Infrastructure

NEH believes that its current internal control, human capital, information systems and other infrastructure resources are sufficient to maintain the goal of zero improper payments. As always, the agency believes that continued reviews and strengthening of internal controls are necessary to address new and evolving risks that emerge with disbursement of taxpayer resources.

Sampling and Estimation

The Criteria for the Risk Assessment

At the National Endowment for the Humanities (NEH), risk assessments are currently performed on an annual basis, although a three-year rotation is an option. These risk assessments cover the agency's payroll payments, and its definite grant program. The risk assessments help determine the risk of significant improper payments for each category by asking questions about identification of improper payment risk factors, mechanisms to identify those risks, management's analysis of the effect of any identified risks, and the controls developed to address any identified risks. NEH management followed the steps in the revised OMB Circular A-123, Appendix C, Part I, to determine whether the risk of erroneous payments is significant. OMB's guidance states "when calculating a program's annual improper payment amount, agencies should only utilize the amount paid improperly."

For this year, only the definite grant program was determined to have a risk of significant improper payments. Using the following systematic process, NEH conducted a quantitative review of its grant program payments of the definite grant program. For each selected grant payment, the NEH verified the:

a. existence of a properly approved grant award document;
b. properly signed request for payment from the grantee;
c. payment was made to the correct grantee's banking information on record;
d. accuracy of the payment; and
e. payment was charged to the correct grant obligation in the NEH accounting system.

NEH identified no programs or activities susceptible to significant improper payments, and consequently determined that no annual estimated amount of improper payments was necessary.

Results of FY 2019 testing for improper payments (in thousands of dollars)

Fund	Population Outlays	Tested Outlay Amount	Population Insufficient Documentation		Population Improper Payment Error	
			Dollars	Rate	Dollars	Rate
Definite Grant Fund	$75,768	$2,552	$0	0.0%	$0	0.0%

Programs Not Included in the Risk Assessment

The agency's non-payroll administrative payments, as well as its Treasury Fund grant program were reviewed during FY 2019 and did not meet the criteria specified in Circular A-123, Appendix C for significant improper payments. Because of this, a quantitative review of these other programs was not performed. However, NEH maintains the same payment certification process for all payments made by the agency. For these programs, potential payments are reviewed to ensure that:

a. an approved obligation exists in the agency's accounting system
b. invoices are properly signed and approved
c. payment is being sent to the correct vendor and bank account
d. payment amount is accurate
e. payment was charged to the correct obligation in the NEH accounting system

Because all non-payroll payments follow the same policy and procedures as our direct grant programs, NEH believes that the risk of improper payments in these programs is low.

Improper Payment Reduction Outlook

The result of the sampling was an error rate of zero percent for FY 2019 IPIA reporting.

Improper payment reduction outlook: FY 2017 - FY 2021 (in thousands of dollars)

Program	FY 2017			FY 2018			FY 2019			FY 2020*			FY 2021*		
	Outlays	%	$	Outlays	%	$	Outlays	%	$	Est. Outlays	%	$	Est. Outlays	%	$
Grant Program	$121,197	0.1%	$137	$118,813	0.0%	$0	$113,376	0.0%	$0	$117,795	0.0%	$0	$117,795	0.0%	$0

*this grant program is aggregated among other grant programs and is not reflected specifically in the estimated outlays as shown on the President's Budget, which combines outlay totals for both administrative and grant programs. Therefore, an average of the past three years' actual outlays for this program, rounded to the nearest thousand is used to project future outlays.

Risk Assessment And Oversight Benefits

The NEH assessment resulted in a FY 2019 IPIA reporting error rate of zero percent, demonstrating that overall, NEH has adequate internal controls over its payment process. To maintain a zero percent testing error rate, NEH continues to improve internal controls, conduct

continuous internal monitoring of possible improper payments, use centralization of accounting functions, and improve communication and follow-up prior to payment authorization to reduce the potential for error.

Fraud Reduction Report

As a steward of taxpayer resources, the NEH takes a variety of steps to both address and prevent fraud, waste and abuse. During FY 2019, the NEH continued the use of its existing policies and procedures to perform risk assessments for significant improper payments, including those under IPIA, IPERIA, and OMB Circular A-123, Appendix C. Though NEH reports only on significant improper payments in this report, NEH reviews all sources of payments as part of its overall improper payment risk assessment and considers fraud among the variety of contributing risk factors.

NEH takes seriously its responsibility as a steward of taxpayer resources. Through the agency's Enterprise Risk Management (ERM) process, numerous fraud risks are considered and mitigated on an ongoing basis. Fraud can take many forms, such as:

- Intentional misstatement or omissions in financial statements, notes, and other reports
- Theft of agency assets
- Illegal acts of agency staff, such as bribery

Fraud risks such as those listed above are reviewed and discussed throughout the agency. While NEH believes that strong existing internal controls exist to prevent fraud from occurring, risks related to grants, contracts, payroll, purchase and travel card transactions, employee reimbursements, and other agency transactions will continue be part of the agency ERM processes.