



U.S. Election Assistance Commission

Agency Financial Report

EAC.gov | November 2024



Message From The Chair

I am pleased to present the Fiscal Year (FY) 2024 Agency Financial Report (AFR) for the U.S. Election Assistance Commission (EAC). This report will demonstrate the various ways the EAC was a good steward of taxpayer dollars and utilized those funds to further the agency's mission. The EAC has proudly received an unmodified audit opinion on its financial statements from an independent audit. The performance and financial data presented in the AFR is complete and reliable in accordance with federal requirements.

The EAC's mission is to help election officials improve the administration of elections and help Americans participate in the voting process. A presidential election year such as 2024 increases the focus on the important work of the agency, as well as the state and local election officials who are supported by the EAC. In FY 2024, the EAC continued to develop programs and resources to assist election officials as they prepared to serve millions of voters.

The following priorities for the agency illustrate how funding was used to strategically address the needs of election officials, highlighting their position as trusted sources of election information for voters. The information shared in this report reaffirms the agency's commitment to transparency, accountability, and the efficient use of the resources entrusted to achieve our objectives.

Enhancing Election Security

The EAC is charged with administering Help America Vote Act (HAVA) Election Security grants and in FY 2024 distributed \$55 million in congressionally appropriated funds to improve the administration of federal elections. In addition to managing our own budget, the agency is committed to the efficient and impactful use of HAVA funds. The EAC regularly publishes guidance and provides resources, including in-person assistance, training, virtual technical support, and subject-specific webinars.

In 2024, the EAC's Testing and Certification Division assisted election officials and voting system vendors with necessary support for the presidential primary and general elections. The EAC also continued progress on the migration to the Voluntary Voting System Guidelines (VVSG) 2.0, to usher in the country's next generation of voting systems.

The EAC's Commissioners voted unanimously to launch the Election Supporting Technology Evaluation Program (ESTEP)'s Electronic Poll Book Certification Program that will enhance the security and accessibility of our nation's electronic poll books. ESTEP also laid groundwork for the Voluntary Electronic Ballot Delivery and the Voluntary Election Night Reporting pilots, focusing on the security, accessibility, and usability of these systems which have become an integral part of our nation's election infrastructure.

Supporting Election Officials

In FY 2024, the EAC invested considerable resources to help election officials prepare for the high turnout of a presidential election year, as well as communicate with the public about the security and transparency of the voting process.



The EAC Clearinghouse Department developed more than 25 resources covering topics including election security, state-by-state profiles, and practical guidance for administering elections. Staffing for voting locations has been a chronic challenge for election offices so the EAC established two days of action to support recruitment of poll workers: Help America Vote Day and National Poll Worker Recruitment Day. In 2024, 45 states and the District of Columbia engaged in or covered the event.

Throughout the year the EAC expanded outreach efforts across the country by sharing resources at official events and election official association conferences and providing in-person and virtual training for over 1,100 election officials and staff from 33 states and U.S. territories. In FY 2024, the agency launched the EAC Learning Lab, an online platform that provides web-based learning and cultivates professional development in election administration like accessibility, communications, poll worker training, auditing, contingency planning, and more. The EAC's training programs are offered at no cost to administrators.

The agency also launched the Clearinghouse Network – a peer-to-peer platform where election officials can find resources, connect with experts and colleagues in other jurisdictions, and discuss emerging issues. Almost 850 election officials and staff have joined so far.

The agency furthered its outreach with election officials when it launched the Field Services Program. This new program helps election officials strengthen their overall posture and preparedness by bringing EAC staff onsite to work with local officials on post-certification quality monitoring of election systems.

Promoting Voter Education and Trusted Information

Election officials began preparing for this presidential election year as soon as the 2020 election was certified. An important focus this year was on communicating with voters about the steps needed to cast their ballot. The EAC concentrated efforts on not only communicating with the American public, but also providing resources to help election officials share information with their communities. This included videos on the various parts of the election process, election security, and customizable media toolkits. To engage the public, the agency regularly hosts public meetings featuring election officials, experts in the field, and our federal partners. This investment by the agency was intended to bolster voter confidence in our elections and our election officials.

As you review the information in the AFR we hope it tells the story of the EAC as well as our dedication to accountably managing our budget and finances. We appreciate the investment in the work of the agency. Our efforts this year reflect the EAC's commitment to make the most of what Congress and the public have entrusted us with. As we evaluate the 2024 elections and look toward the future, the EAC is confident in our ability to fulfill our mission supporting the election officials and infrastructure for years to come.

A handwritten signature in blue ink, reading "Ben Hovland".

Ben Hovland, Chairman, U.S. Election Assistance Commission



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Introduction

About This Report

The U.S. Election Assistance Commission's (EAC) Agency Financial Report (AFR) provides an overview of financial and performance results for the period beginning October 1, 2023, and ending September 30, 2024 (Fiscal Year 2024). The AFR enables the Congress, the President, and the public to assess EAC's stewardship over the financial resources entrusted to it to achieve its objectives and goals. This report is available on the EAC's website at <https://www.eac.gov/about/budget-and-finance>.

The Reports Consolidation Act of 2000 authorizes federal agencies, with the Office of Management and Budget's (OMB) concurrence, to consolidate various reports to provide performance, financial, and related information in a more meaningful and useful format. As done in previous years, the EAC has chosen an alternative reporting to the consolidated Performance and Accountability Report. We prepared this report in accordance with OMB Circular A-11, Preparation, Submission, and Execution of the Budget; A-123, Management's Responsibility for Enterprise Risk Management and Internal Control; and A-136, Financial Reporting Requirements. Additional information about EAC's strategy, program, and performance reports is available at <https://www.eac.gov/about/operations>.

How This Report Is Organized

This report is organized into three main sections:

Section 1: Management's Discussion and Analysis

This section provides a comprehensive overview of the agency's mission and organizational structure; high-level discussion of key performance goals and accomplishments; a summary of the agency's financial results and compliance with laws and regulations; and management's assurance on the EAC's internal control. The section concludes with a forward-looking statement.

Section 2: Financial Information

This section presents the Inspector General's assessment and independent auditor's report, financial statements along with accompanying notes ensuring clarity and accountability in financial reporting.

Section 3: Other Information

This section features a summary of financial statement audit and management assurances, the Inspector General's report on management and performance challenges, the EAC's response to challenges identified, and additional reports on payment integrity.



SECTION I – Management’s Discussion and Analysis

Mission and Core Values

Mission Statement

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

Core Values

HONESTY
TRUST
CUSTOMER SERVICE

The U.S. Election Assistance Commission is a bipartisan commission dedicated to:

- Support for Election Officials and Voters
- Distributing Grants
- Election Technology
- Election Research and Data

U.S. Election Assistance Commission History and Authorities

In October 2002, Congress passed the Help America Vote Act (HAVA). The law recognized the need for federal investment in election infrastructure. The Act sets out comprehensive programs of funding for states and territories, voluntary guidance, standards, and research. HAVA established the Election Assistance Commission (EAC) to lead those programs, and promote and enhance voting for United States citizens.

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

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

The Standards Board and the Board of Advisors provide advice and guidance to the EAC on a variety of



election administration issues.

HAVA established the Technical Guidelines Development Committee (TGDC) to help the EAC prepare the Voluntary Voting System Guidelines (VVSG). The Director of the National Institute of Standards and Technology (NIST) of the U.S. Department of Commerce serves as the Chair of the TGDC and provides technical support to the Committee. Additionally, HAVA specifies that NIST provides recommendations to the EAC regarding voting system test laboratories. Since Fiscal Year (FY) 2004, the EAC's annual appropriations have included a total to date of \$45.4 million for NIST support.

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

In FY 2004, the EAC also appointed a statutorily required General Counsel. During FY 2005, the EAC appointed its other statutorily required positions: the Executive Director and an interim Inspector General. The EAC had several focus areas in subsequent years:

- establishing and updating the VVSG,
- performing research to promote effective federal elections,
- presenting vital data on election best practices,
- instituting a testing and certification program,
- auditing state HAVA funds, and
- disseminating information on improving elections to its stakeholders.

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

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

In 2021, the EAC established a fourth federal advisory committee, the Local Leadership Council (LLC), to provide recommendations and direct feedback to the EAC on a range of election administration topics. Membership in the LLC consists of 100 members with two members from each state who are currently serving or recently served as officers of each state's local election official association. The first in-person meeting of the LLC took place on July 20-21, 2023. During this meeting, the LLC elected its first executive committee and is now a fully functioning Federal Advisory Committee Act (FACA) board.



Historical Funding

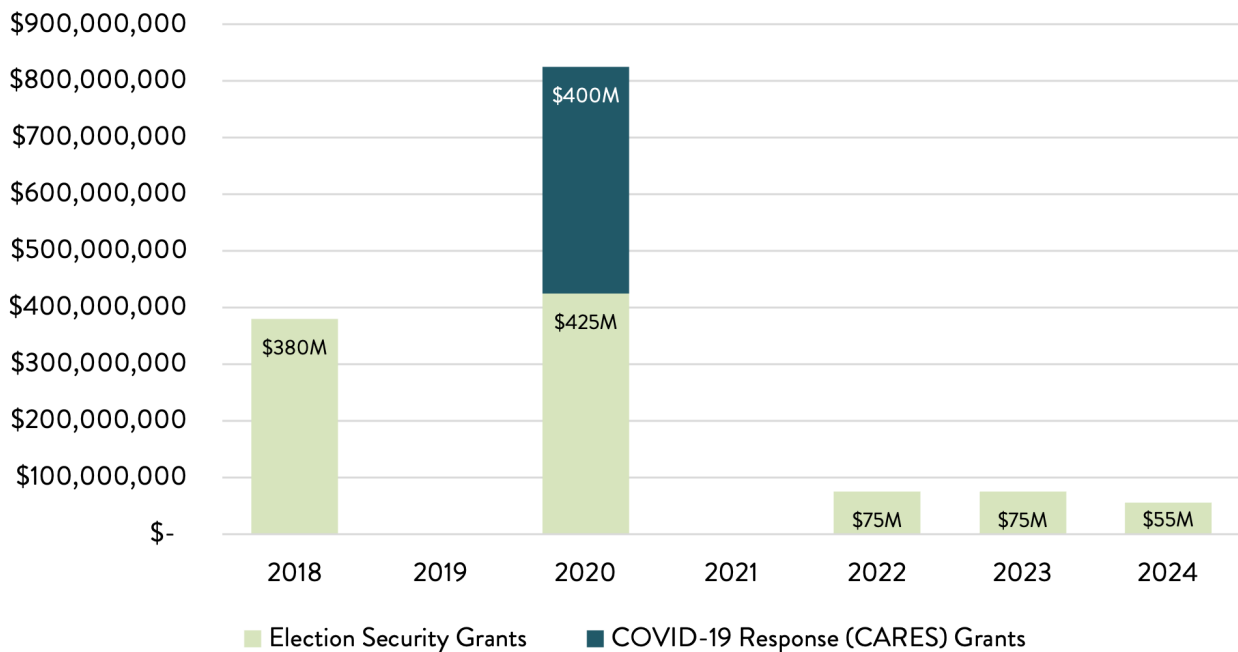
Grant Funding

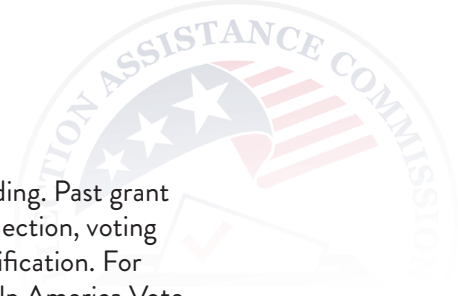
In FY 2003 and FY 2004, Congress appropriated nearly \$3 billion in federal financial assistance for payments to states under Titles I and II of HAVA to improve the administration of federal elections and replace outdated voting systems. States received HAVA general improvement funds to upgrade their voting systems, establish statewide voter registration databases, train election officials, and educate voters.

In response to growing concerns about election security and foreign interference, Congress provided additional general improvement grant funds to support election administration across the states and U.S. territories. In Fiscal Years 2018, 2020, 2022, 2023, and 2024, Congress appropriated more than \$1 billion in HAVA Election Security Grants to enhance election technology and improve election security. In FY 2020, Congress also appropriated \$400 million in general improvement grant funds through the Coronavirus Aid, Relief, and Economic Security (CARES) Act to help states prepare for and respond to the coronavirus pandemic during the 2020 federal elections.

Appropriations for HAVA Grant Program, FY 2018 – FY 2024

HAVA Grant Program Funding FY 2018 – FY 2024





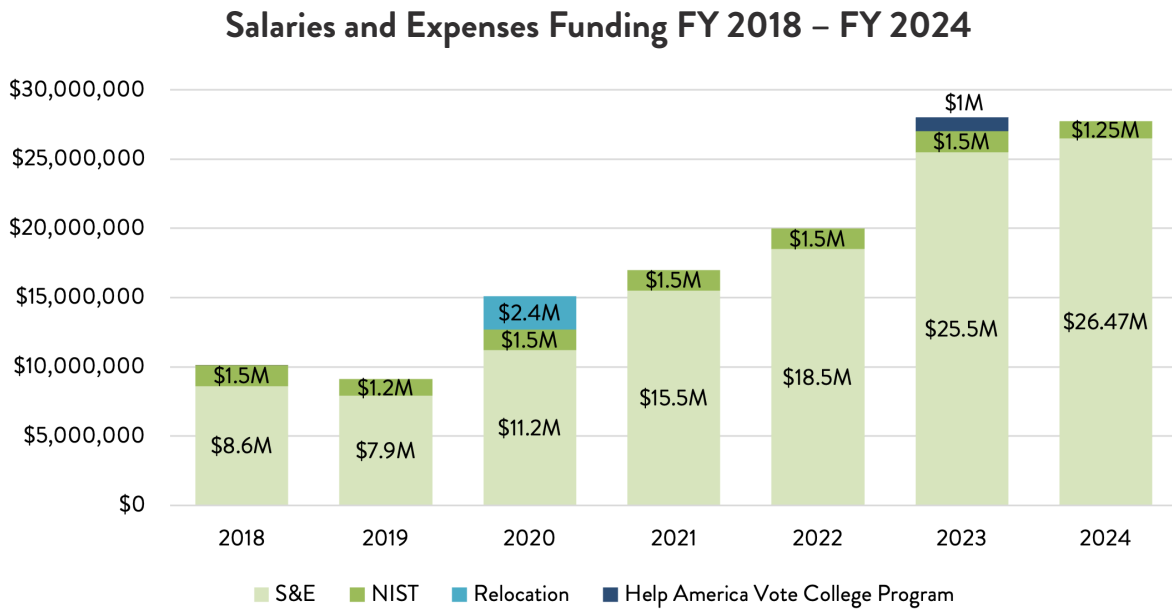
The EAC also facilitates additional grant programs supported by discretionary funding. Past grant programs have included poll worker recruitment, mock elections, election data collection, voting technology improvement research, testing and certification, and post-election verification. For example, in FY 2023, Congress appropriated \$1 million for the relaunch of the Help America Vote College Program.¹

The EAC monitors award performance reported by the states, provides technical assistance to grant recipients, develops and publishes guidance on the use and management of funds, and closes out awards. The EAC is mandated to monitor and provide oversight for all HAVA grants.

Salaries and Expenses Funding

In FY 2024, the EAC received funds in the Salaries and Expenses (S&E) appropriation of \$27.72 million. The S&E appropriation was used for a \$1.25 million interagency agreement to NIST, payroll, travel, utilities, printing, contracts, supplies, equipment, and software.

Appropriations for Salaries and Expenses, FY 2018 – FY 2024



¹ These funds were appropriated as Salaries and Expenses.



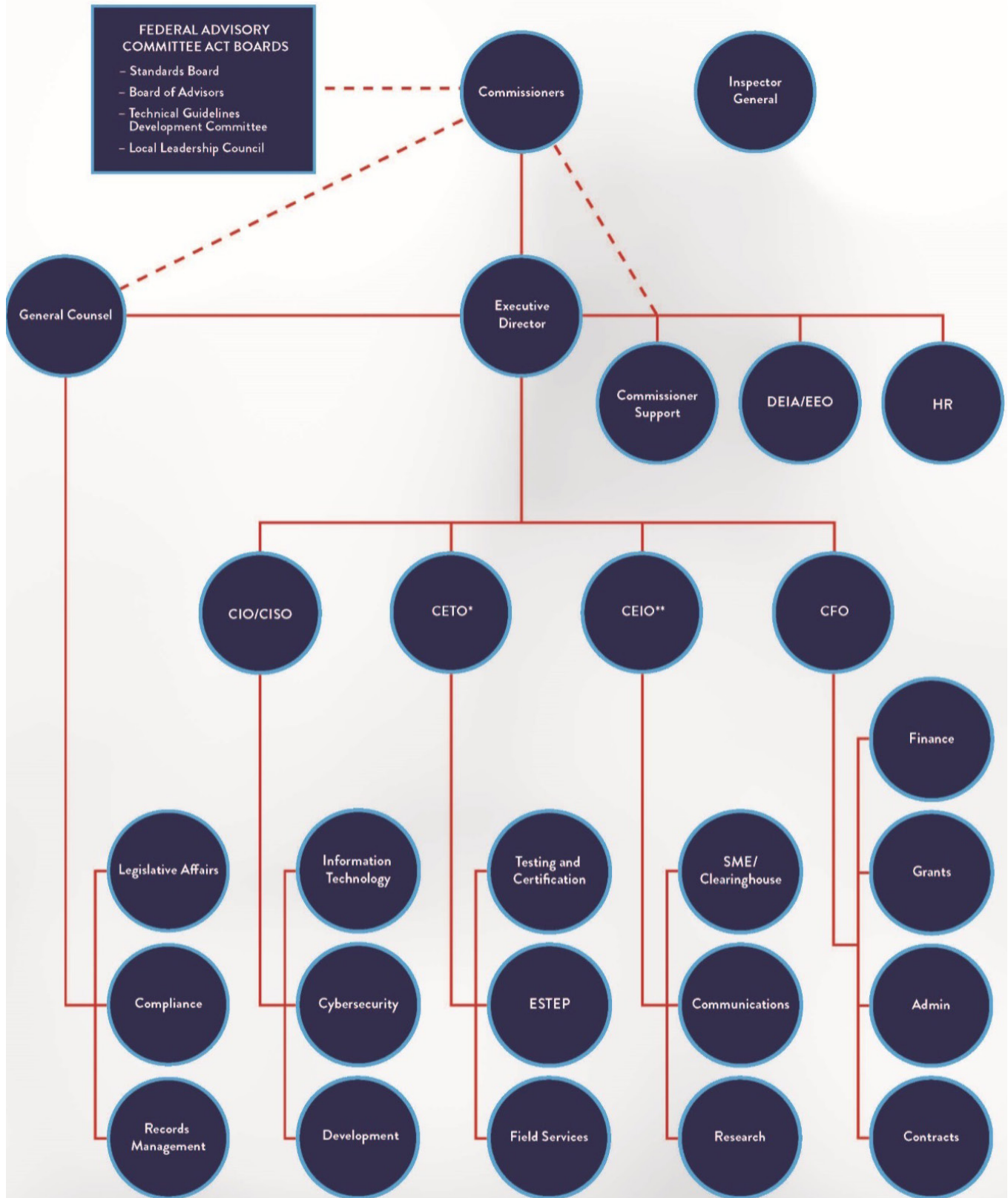
Organizational Structure

To help election officials improve the administration of elections and help Americans participate in the voting process, the EAC's professional staff members possess expertise in election administration, election technology, accessibility, administration, communications, federal compliance, federal grant management, finance, law, and management. The size of the EAC's professional staff has varied since the agency's inception but has recently grown thanks to the budgetary investment in the agency to 83 full-time staff members. The EAC's headquarters is in Washington, D.C. and has employees geographically dispersed across 23 states and Washington, D.C.

The nature of the EAC's work and its congressional mandates require the agency to work closely with state and local election officials from the 50 states, 5 territories, and the District of Columbia. The EAC regularly works in collaboration with federal partners including the National Institute of Standards and Technology (NIST), the General Services Administration (GSA), and the Department of Homeland Security (DHS), to achieve the agency's mission. As the nature of elections and the threats that they face have evolved, the agency has deepened its collaboration with partners including the Department of Justice (DOJ), Federal Bureau of Investigation (FBI), the Cybersecurity and Infrastructure Security Agency (CISA), the Office of the Director of National Intelligence (ODNI), the United States Postal Service (USPS), and the United States Postal Inspection Service (USPIS), to protect critical infrastructure and serve stakeholders facing increasing and escalating threats to safety. The EAC previously helped DHS establish a core component of its critical infrastructure operations, the Election Infrastructure Subsector Government Coordinating Council (GCC), and co-chairs the GCC. The EAC also coordinates with academic institutions, nongovernmental organizations, and election officials from other countries.

In 2024, the EAC reorganized its divisions around four central offices that report directly to the Executive Director to be more functionally aligned, responsive, and capable of accomplishing its complex mandate. The EAC's organizational chart outlines the offices and divisions responsible for implementing the agency's programmatic goals.

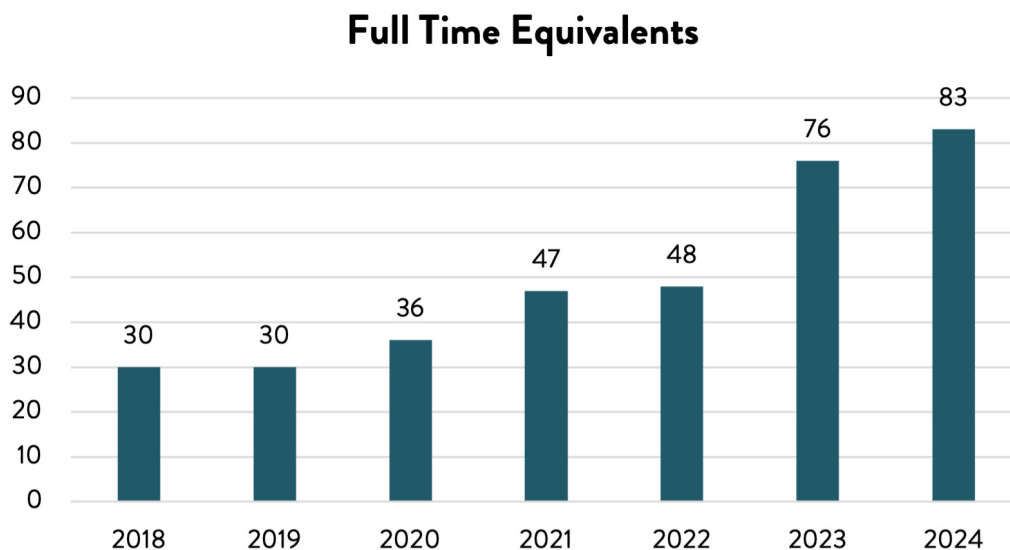
THE EAC'S ORGANIZATIONAL CHART





In addition to the EAC’s reorganization of its structure, the agency underwent significant staffing changes in FY 2024. Key positions were added, including a new Executive Director, Chief Financial Officer, Chief Election Information Officer, Chief Election Technology Officer, and Contracting Officer, among others.

The EAC’s Full Time Equivalent Staffing by Fiscal Year Since 2018



Overview of Transparency, Accountability, and Programmatic Performance

Regularly, the EAC works to fulfill mandatory performance reporting requirements that ensure transparency and accountability starting with the EAC Strategic Plan. In addition to the Strategic Plan, the agency maintains accountability for the results of its programs and operations through other published reports, as required, which can be found on the EAC’s website. A brief overview of each of these reports is provided below:

Agency Strategic Plan

The current strategic plan covers FY 2022-2027. The plan includes three goals designed to drive the agency toward achieving its mission. Within each strategic goal are agency strategies to guide decision-making to achieve goals and specific performance measures to evaluate the success of EAC programs. For more information, visit <https://www.eac.gov/about/budget-and-finance>.

Agency Financial Report (AFR)

The AFR provides an overview of the agency’s progress in implementing the strategies and achieving the goals and objectives in its Strategic Plan. Further, the AFR reports the agency’s financial performance. For more information, visit <https://www.eac.gov/about/budget-and-finance>.

Agency Annual Report to Congress

Per Section 207 of HAVA, the EAC is required to submit an Annual Report to Congress. The report details the agency’s activities during the past year that furthered the mission of the EAC. For more information, visit https://www.eac.gov/about/annual_reports.aspx.



OIG Audit Reports & Semi-Annual Reports to Congress

The Office of Inspector General (OIG) is independent and separate from the EAC's operations and programs and reports directly to the Commissioners. The OIG reviews the economy, efficiency, and effectiveness of the EAC's programs and operations through oversight activities and reports the results of its oversight publicly. For more information, visit <https://oig.eac.gov/reports/all>.

Summary of Required Reporting

Listed below are additional required reporting that the EAC maintains during the fiscal year. Our compliance with these required reporting helps ensure that the agency is transparent and accountable to Congress, the President, and the American public.

Other Reporting

Strategic Plan	Every 6 years (February)
EAC DATA Act Report	November
Quarterly Risk Management Assessment (RMA)	January, April, July, October
No Fear Act	January, April, July, October
FISMA CIO Data Call	February, April, July, October
Confidential Financial Disclosure Reporting (Internal Submission Only)	February
Annual Agency Ethics Program Questionnaire	February
No Fear Act Annual Report	March
Congressional Budget Justification	March
Federal Electronic Records & Email Management Report	March
Records Management Self-Assessment (RMSA) Report	March
Student Loan Repayment Program	March
Senior Federal Travel Reporting	April, October
Management Directive 715	April
Public Financial Disclosure Reporting	May
1353 Travel Reporting	May, November
Senior Agency Officials for Records Management (SAORM) Report	May
Grants Annual Report	June
Election Administration and Voting Survey	June (biennially)
Annual FISMA Reporting	July
OMB Justification	September
Pandemic Response Accountability Committee (Quarterly reports for CARES)	October
FISMA Annual CIO Metrics	October
BOD 20-01 Vulnerability Disclosure Policy	October
Cybersecurity EO	October
EEO Form 462 Report	October
Senior Agency Official for Privacy (SAOP) FISMA Metrics	November
Freedom of Information Act Report	Section 608 Annual Obligations
Section 608 Annual Obligations Report	November
Section 634 Quarterly Obligations Report	November
Premium Class Travel Reporting	November
Travel Reporting Information Profile	November
Annual VVSG Standard Recommendations	December
USA Spending Upload for DATA Act	December (and monthly)



Strategic Goals and Objectives

The GPRA Modernization Act of 2010 and the Foundations for Evidence-Based Policymaking Act of 2018 mandate that agencies implement a strategic performance framework prioritizing measurable outcomes supported by data-driven decision-making. The EAC’s leadership is fully committed to the agency’s success, including the successful execution of the EAC’s Strategic Plan. As established and detailed in the FY 2022-2027 Strategic Plan, the EAC’s operations and offices are aligned to address the Commission’s congressional mandates to protect the nation’s voting systems; test and certify voting equipment; assist states with the administration of HAVA grant funds to improve federal elections; serve as a clearinghouse of information on voting; administer and maintain the National Voter Registration Act (NVRA) voter registration form; and report to Congress on NVRA and Uniformed and Overseas Citizens Absentee Voting Act (UOCAVA) voting activity.

The EAC’s current strategic plan sets forth three strategic goals and 10 strategic objectives.

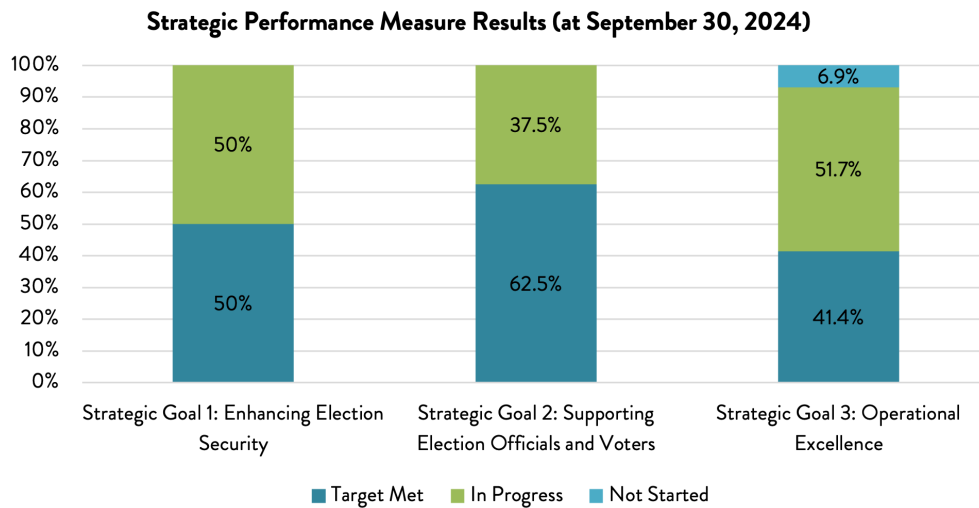
Strategic Goal 1 – Enhancing Election Security	
Strengthen American elections through the development and implementation of responsive and dynamic voting system guidelines and cyber resources for election officials.	
Objectives	<p>1.1: Continue to evolve the Voluntary Voting System Guidelines and related policies to provide responsive guidelines and requirements for voting systems.</p> <p>1.2: Develop programs under the Help America Vote Act (HAVA) to bolster the security and accessibility standards of other election technology.</p> <p>1.3: Leverage and expand upon the EAC’s existing technical expertise to provide timely resources to increase the security posture of critical infrastructure (voting systems, e-poll books, and other areas of election administration).</p>
Strategic Goal 2 – Supporting Election Officials and Voters	
Encourage improvements to election administration through the development and distribution of resources that assist election officials in modernizing American elections.	
Objectives	<p>2.1: Serve as a clearinghouse of election best practices by continually creating resources that help election officials improve the administration of elections and help voters participate in elections.</p> <p>2.2: Increase confidence in America’s elections and transform the mutual understanding of election administration through commissioning innovative research.</p> <p>2.3: Effectively and efficiently distribute federal resources to the EAC’s stakeholders.</p>
Strategic Goal 3 – Operational Excellence	
Create operational excellence throughout agency management and programming.	
Objectives	<p>3.1: Increase customer service to key stakeholders and partners.</p> <p>3.2: Update internal structures and policies to optimize performance.</p> <p>3.3: Develop and continue to manage internal structures and tools that produce a culture of innovation and a driven workforce.</p> <p>3.4: Continue to build a skilled, diverse, and effective workforce.</p>



How the EAC Assesses Performance

The sections below describe the role the programs play in helping the EAC meet its congressional mandates and the results needed to accomplish its goals and objectives. The EAC Strategic Plan extensively lists the strategy for collectively driving its programs to achieve the agency’s mission. Outcomes measure the effect program outputs have on their stakeholders. Outputs are quantifiable targets that directly measure the results of a program. Performance measures are quantifiable and documentable representations of a capacity, process, or outcome relevant to the assessment of performance.

Strategic Performance Measures



FY 2024 Performance Highlights and Accomplishments

Strategic Goal 1: Enhancing Election Security

The EAC plays a key role in bringing technological gains in security and other factors to voters through the oversight of voting system guidelines and providing cybersecurity resources to election officials. As the only federal agency solely focused on election administration, the EAC is uniquely qualified to take the lead on providing resources to election officials while educating the American public about the resilience of election systems. The EAC helps to safeguard the integrity of U.S. voting systems through the Voluntary Voting System Guidelines (VVSG) and cybersecurity resources developed to serve election officials.



Strategic Goal 1 Performance Measure Highlights	
Performance Measure	2024 Indicator Status
VVSG is reviewed yearly for potential updates.	Target Met
Certification of a VVSG 2.0 compliant system.	In Progress
Successfully conduct a pilot program for e-poll book testing and certification and use findings to create a permanent program.	Target Met
Conduct a pilot program for another election supporting technology and publish findings.	In Progress
Creation of an online training delivery system with courses focused on election cybersecurity fundamentals.	Target Met
Successful cybersecurity defense of 2022 midterm and 2024 presidential elections.	In Progress

Significant Accomplishments:

Supporting the Security of Voting Systems and Implementation of the Voluntary Voting System Guidelines (VVSG) 2.0:

In 2024, the Testing and Certification Division will release the second annual VVSG review report analyzing proposed changes to the guidelines. The Division also continues to oversee the migration to VVSG 2.0. This includes the testing and certification of new voting systems, of which there are currently two systems under test with the program: Hart InterCivic’s Verity Vanguard 1.0 and Smartmatic’s VSR1 2.1. The EAC is also conducting the biennial accreditation reassessment of both Voting System Test Laboratories (VSTL) this year. Additionally, the EAC is now mandating penetration testing of all systems as a prerequisite to certification testing.

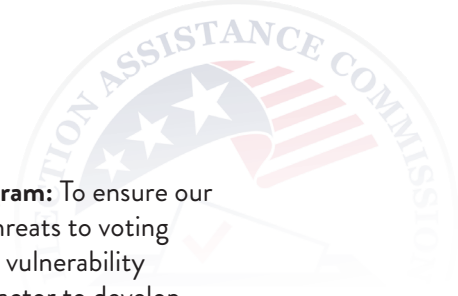
Advancing the Election Supporting Technology Evaluation Program:

In January 2023, the EAC’s **Election Supporting Technology Evaluation Program (ESTEP)** initiated a pilot program to explore conformance testing of electronic poll book systems. Following a study that included testing of five commercial manufacturers and two in-house developed systems (one state developed and one county developed) by accredited test laboratories, the EAC’s Commissioners voted unanimously to launch the ESTEP Voluntary Electronic Poll Book Certification Program.

Through rigorous conformance testing, this initiative will enhance the security and accessibility of our nation’s electronic poll books. ESTEP is finalizing evaluation of the nation’s first electronic poll book system for federal certification. In the coming months, ESTEP will initiate pilots for electronic ballot delivery and election night reporting systems, focusing on the security, accessibility, and usability of these systems which have become an integral part of our nation’s election infrastructure.

Implementing the EAC’s Field Services Program:

In 2024, the agency launched the Field Services Program to help election officials strengthen their overall posture and preparedness. This endeavor brings the EAC’s staff onsite to work with local officials on post-certification quality monitoring of voting systems. Currently, Field Services is extending both on-site and virtual assistance to state and local officials, primarily through the industry-standard practice of hash validation. This security measure ensures that the deployed voting system software matches the software certified by the EAC. Over the past six months, the Field Services team has addressed more than 50 trusted hash validation requests from various localities, successfully completed and documented two pilot projects, and provided briefings on the Field Services Program to officials from 43 states and territories.



Initiating the Framework for a Coordinated Vulnerability Disclosure (CVD) Program: To ensure our nation’s critical elections infrastructure is secured against ongoing cybersecurity threats to voting and election systems, the EAC is laying the groundwork to establish a coordinated vulnerability disclosure (CVD) program over the next 2 years. The EAC is working with a contractor to develop a plan and guidelines for an independent security research program for election technology in the continuing development of a voluntary penetration testing and CVD program for election technologies, including voting systems.

Strategic Goal 2: Supporting Election Officials and Voters

Elections are run by thousands of election officials across the country. This decentralized system allows election officials to serve as experts within their jurisdiction and state but has traditionally created a lack of uniform, nationwide election administration practices. To address this challenge, the EAC was tasked by HAVA to serve as a clearinghouse of information on election administration. Through the collection and development of best practices, conducting innovative research into emerging topics in elections, and distributing resources and funding to the states, the EAC serves a critical role in helping advance election administration.

The rapidly changing landscape of elections has only served to increase the importance of a coordinated effort to collect, develop, and distribute resources to allow election officials to effectively and efficiently respond.



Strategic Goal 2 Performance Measure Highlights	
Performance Measure	2024 Target Status
Election administrators from every state are using the portal, accessing the reporting options, connecting with other election administrators, and are more informed about training, events, and important election dates.	Target Met
The EAC produces resources addressing the top three concerns of members of the advisory boards each year as identified at their annual meetings.	In Progress
Affirm steady quarterly growth on engagement metrics for newsletters including open rates and clickthrough rates.	In Progress
Add more election officials and election office staff to the newsletter distribution list.	In Progress
Increase the reach and use of pages that are targeted to voters and election officials as measured by website analytics.	In Progress
Create working groups for Sections B-F of the Election Administration and Voting Survey (EAVS) that will help modernize the questions in those sections, like to the Section A working group.	In Progress
Measured decrease in difficulties for voters with disabilities in surveys following federal elections.	Target Met
Utilization of simulated learning exercises by election officials in most states.	Target Met
All federal financial assistance administered by the EAC is accurately and timely disbursed.	Target Met
All audit findings are resolved within established time frames.	In Progress
All expired grants are closed promptly, with no grants expired for over two years.	Target Met
Report annually to Congress on the expenditure of HAVA funds each year.	Target Met
Technical assistance and training to recipients to increase grant compliance is provided at least twice a year.	Target Met
Report complete, accurate, and timely financial assistance data as required by the DATA Act.	Target Met
Progress and financial reporting by grant recipients are reviewed, with an initial review provided within 45 days of submission.	Target Met
Grant staff attend professional development and education to obtain certification and/or keep up with changing federal guidance.	Target Met



Significant Accomplishments:

Improving Voting Accessibility for People with Disabilities: In April, the EAC released a **new actionable report** to explore the voting experience of voters with disabilities. Qualitative data from focus groups identified persistent barriers and examined progress made since the implementation of HAVA. This is one in a series of accessibility reports in collaboration with Rutgers University, with more planned for the fall. The study concludes with actionable items for election officials, including accessibility checklists and guidance on improving voting access. Research continues to inform the EAC's products and services by providing additional content and context. The agency highlighted ongoing accessibility work with a public hearing in late August, around the anniversary of the Americans with Disabilities Act.

Producing Extensive Clearinghouse Resources for Election Officials: The EAC has developed more than 25 new **Clearinghouse resources** thus far in 2024. These products cover topics ranging from election security and intelligence findings to state-by-state profiles and practical guidance for the general election. As one example, the EAC recently released a **video series** for election officials on personal security and mental health concerns. This guidance supports officials navigating the complex and ever-changing climate of elections. The agency has also been preparing for the 2024 Election Administration and Voting Survey (EAVS). With new questions and a policy focus, the 2024 EAVS stands to be the most comprehensive report to date.

Training and Learning Lab: The EAC has been expanding professional education efforts by sharing resources at official events, presenting at election official association conferences, and providing in-person and virtual training. Over the summer, the agency launched the **EAC Learning Lab**, an online platform that provides web-based learning and cultivates professional development in election administration. Topics include accessibility, communications, poll worker training, auditing, contingency planning, and more. In FY 2024, the Clearinghouse Division provided virtual or in-person training to over 1,100 election officials and staff from 33 states and territories. The EAC's training programs are offered at no cost to administrators and election staff across the country.

Clearinghouse Network: In early 2024, the agency launched the EAC Clearinghouse Network, a peer-to-peer platform where election officials can find resources, connect with experts and colleagues in other jurisdictions, and discuss emerging issues. Over 850 election officials and staff have joined the secure network as of October 1, 2024.

Grant Funding and Assistance for States and Localities: Earlier this year, the EAC Grants Department distributed \$55 million in congressionally appropriated funds to improve the administration of federal elections. To help jurisdictions utilize these much-needed funds, the EAC regularly publishes guidance and answers to **frequently asked questions**. The EAC also provides many grant-related customer service resources, including in-person assistance, over a dozen training events, virtual technical support, and subject-specific webinars. In 2024, we will publish a report on the considerable results achieved through election security grants. Attached is a fact sheet on spending rates and expenditure challenges.



Strategic Goal 3: Operational Excellence

The agency reaffirms its dedication to being good stewards of public funds, contributing positively to the federal government, and continuing to build and operate an agency that is diverse and impactful. The agency has been historically underfunded. In recent years, the agency has received incremental funding allowing for the improvement of its operational structure. The EAC aims to build upon this success and create operational excellence by increasing customer service to key stakeholders, updating internal structures and policies to optimize performance, maximizing minimal resources, and building a skilled, diverse, and effective workforce.

Strategic Goal 3 Performance Measure Highlights	
Performance Measure	2024 Target Status
Increase of web traffic to the EAC’s website as measured by unique visitors in each quarter of federal election years.	In Progress
Increase engagement with the EAC’s social media profiles each year by election officials as measured by follower or subscriber counts and reach of posts, including retweets and shares.	In Progress
Increase downloading of election resources from the EAC’s website.	Target Met
Generation of new opportunities for inter-agency programs that add value or create efficiencies.	Target Met
Connect the EAC’s information technology system threat detection capabilities to the CISA Federal Continuous Diagnostics and Mitigation (CDM) Dashboard.	Target Met
Additional Interagency Agreement requests for joint work by federal partners included a requested extension of existing IAA with GSA for Vote.gov.	In Progress
All of the EAC’s policies and procedures are updated and reviewed yearly.	In Progress
Membership is obtained in the Small Agency Council for Administration, Human Resources (Training, EEO Diversity & Inclusion), Procurement, Finance, and CIO managers.	Target Met
All congressional reporting deadlines are met.	Target Met
Standard operating procedures for all administrative functions are complete and aligned with the newly revised Administrative Manual.	In Progress
New records management processes are implemented, and staff is trained.	In Progress
Submit all required federal reporting by deadlines.	Target Met
Ticketing System in place to track requests for each administrative function (contract management, human resources, records management, travel management, and space and facilities management).	In Progress
Ensure the EAC’s intranet site is utilized by all agency employees to access key resources.	Target Met
Increased use of intranet for collaboration with each division reporting at least one collaborative effort resulting from intranet use.	Target Met



Strategic Goal 3 Performance Measure Highlights	
Establishment of administrative succession plan with cross-training of staff on administration support functions to ensure continuity.	In Progress
Following the return to in-person operations, the EAC saves resources by using larger office space for in-house meetings and summit events for at least two events per year that would otherwise require external venue costs.	Target Met
Recurring human capital planning is aligned with the agency's strategic and operational plans.	In Progress
Quarterly reviews find HR policies and practices are followed throughout the EAC to minimize financial and reputational risk.	In Progress
The EAC's competency models, developed by engaging key stakeholders across the agency to identify mission-critical requirements and gaps, are created and published on the intranet.	Not Started
Competencies are incorporated into vacancy announcements, assessments, IDPs, and structured interviews.	Target Met
A hiring and selection toolkit for hiring managers is developed and implemented.	In Progress
Applicant flow data validates targeted recruitment efforts.	In Progress
Employee orientation video is updated to help new employees understand how to be successful in their day-to-day job and how their work contributes to the agency's mission.	Not Started
A learning and development framework is created in support of continuous learning, job-related development, and career growth through succession efforts, including the reinstatement of the EAC's Staff Associate Program to reinforce the strategy of "growing our own".	In Progress
A training program is planned, budgeted, and implemented to address competency gaps.	In Progress
The performance appraisal system is reviewed annually to ensure all appraisals are linked to strategic objectives and annual performance goals.	Target Met
The EAC's culture promotes a fair and unbiased environment, and values opportunity, inclusiveness, and accomplishments so employees are better able to understand the mission and determine where they fit.	In Progress
The Annual Employee Survey (AES) results improve each year.	Target Met

Significant Accomplishments:

Collaboration with Federal Partners: The EAC has made significant progress cultivating relationships with federal partners. The EAC held a Federal Partners public hearing with participants from the following federal agencies:

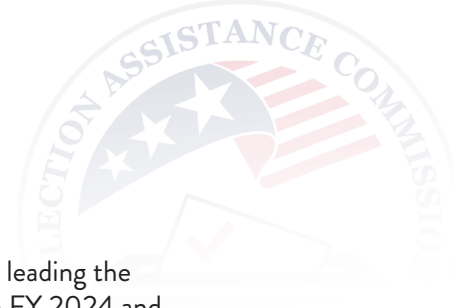
- Cybersecurity and Infrastructure Security Agency (CISA)
- Department of Justice (DOJ)
- Federal Bureau of Investigation (FBI)
- Federal Voting Assistance Program (FVAP)
- Office of the Director of National Intelligence (ODNI)
- United States Postal Inspection Service (USPIS)



Additionally, the Chair and Vice Chair serve as executive committee members of the Election Infrastructure Subsector Government Coordinating Council and the EAC attends interagency Election Security Group meetings. In 2024, the EAC coordinated with several federal partners on documents including **Enhancing Election Security Through Public Communications, 2024 U.S Federal Elections: The Insider Threat**, and **Election Mail Handling Procedures to Protect Against Hazardous Materials**.

Employee Engagement Committee: In 2024, the EAC launched an Employee Engagement Committee, a group of staff volunteers who serve as a resource, advocate, and represent employees at the EAC. The Committee develops initiatives to promote employee engagement, improve the agency, foster a culture of inclusion, and ensure that the voices of all staff are heard.

Strengthening Internal Controls, Training, and Retention: The EAC has diligently begun updating policies for the office. The process for updating policies occurs at multiple levels and ensures input and knowledge of the policies prior to issuance. For example, the EAC updated its performance management form, ensured 100% compliance, and trained managers on areas such as managing performance and conduct. In 2024, the EAC also established a Student Loan Repayment Program to improve recruitment and retention.



Forward Looking

With a quorum of four Commissioners who have experience working together and leading the agency in a bipartisan fashion, coupled with a new Executive Director appointed in FY 2024 and a new organizational structure, the EAC stands well-positioned to meet its mission and fulfill and expand on the goals and objectives laid out in the agency strategic plan. In FY 2025, the EAC plans to launch or expand on the following activities:

Improving Access to Election Information:

Improving access to voting information is crucial for maintaining trust and transparency in elections. The EAC has invested in several projects to enhance access to accurate election information and resources.

The EAC website is a primary resource for election officials and voters nationwide. The agency has contracted with the U.S. General Services Administration's (GSA) Office of 18F, a technology consultancy division of the federal government, to develop a strategy to integrate Vote.gov and to evaluate and improve its website functionality. To do this, 18F and the EAC will work collaboratively to conduct research, talk to users and stakeholders, synthesize collected data, and make findings and recommendations to improve the user experience.

To improve and modernize EAVS, the EAC is conducting a series of working groups in FY 2025 with the goals of expanding data collection, reducing the response burden on election officials and improving the data quality.

For election officials, having a reliable system for information sharing and coordination helps to share best practices and troubleshoot challenges. The EAC plans to continue to build the membership of election officials in the Clearinghouse Network, to strengthen relationships and improve election administration nationally.

Keeping Pace in an Evolving Election Landscape:

The EAC is at the forefront of ensuring the integrity and security of the United States' election systems. Recognizing the rapid pace of advancement in voting technology, the EAC is committed to more frequent updates of the Voluntary Voting System Guidelines (VVSG). Each year, the guidelines are reviewed by the agency for potential updates. This proactive approach will ensure that the VVSG keeps pace with technological advancements, thus maintaining the highest standards of security and performance for EAC-certified voting systems.

The Field Services team intends to bolster outreach efforts to assist a greater number of state and local election officials with voting system validation. Field Services will also conduct site audits of registered manufacturers in 2025. These audits are intended to verify that voting systems being manufactured, shipped, and sold are equivalent to the EAC-certified configurations.

Election supporting technology plays an increasingly significant role in our nations' elections. Recognizing that these technologies are not consistently tested or certified, the EAC's ESTEP program is developing testable guidelines for election night reporting and electronic ballot delivery systems. In the coming months, pilot programs will be initiated to explore the value and feasibility of conformance testing of these systems.



The EAC has partnered with the National Institute of Standards and Technology (NIST) to conduct research into technological solutions aimed at increasing voter confidence. By leveraging NIST's expertise, the EAC aims to develop standards that make the voting process more transparent and secure.

Additionally, the EAC is evaluating options for independent security testing of election technology. This initiative aims to develop a framework that facilitates collaboration between election technology providers and vetted security researchers, with the goal of enhancing the security of election technology through independent research endeavors.

Advancing Agency Enterprise Risk Management (ERM):

In Fiscal Year 2024, the EAC took significant steps to enhance its enterprise risk management process (ERM) in alignment with OMB Circular A-123 guidelines. Key actions included designating a Chief Risk Officer (CRO), onboarding a newly created Chief Financial Officer (CFO) position, and developing an ERM implementation plan aimed at expanding the EAC's existing ERM framework and processes.

Looking ahead, the EAC will continue to promote a proactive risk management culture that supports its strategic objectives and mission at all organizational levels. Key initiatives include:

- reviewing and updating the EAC's ERM guidance to foster a culture of risk awareness,
- increasing employee awareness of risk identification, assessment, mitigation, and monitoring by utilizing OMB guidelines and best practices identified by the U.S. Government Accountability Office (GAO),
- facilitating more frequent and rigorous discussions among EAC operating units to identify new or emerging risks, as well as changes to existing risks reflect evolving operational conditions,
- updating risk assessment forms and developing an EAC Risk Profile to highlight the most significant risks in achieving strategic objectives along with strategies for addressing them, and
- leveraging the responsibilities of the CRO and CFO to ensure key risks are effectively communicated throughout the organization, enhancing decision-making from both top-down and bottom-up perspectives, and ensuring appropriate resources are allocated to mitigate those risks.



Analysis of EAC’s Financial Statements

The EAC received an unmodified audit opinion on its financial statements. The financial statements were audited by an independent certified public accounting firm, Allmond & Company, LLC. Information contained on the financial statements and its accompanying notes provide reasonable assurance to the public that the information is accurate, reliable, and is presented fairly for useful decision-making, and has been prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP). The financial statements comprise the Balance Sheet as of September 30, 2024, the related Statements of Net Cost, Changes in Net Position, and Budgetary Resources.

The following analysis is intended to provide information on EAC’s financial results, position, and condition as portrayed in the financial statements and the notes to the statements presented in the Financial Information section of this report. Changes in assets, liabilities, costs, revenues, obligations, and outlays are explained; comparisons are made between amounts in FY 2024 versus FY 2023; and the relevance of balances and amounts in the financial statements and notes are discussed. The changes provide context as to how the year’s activities impacted the agency’s financial position.

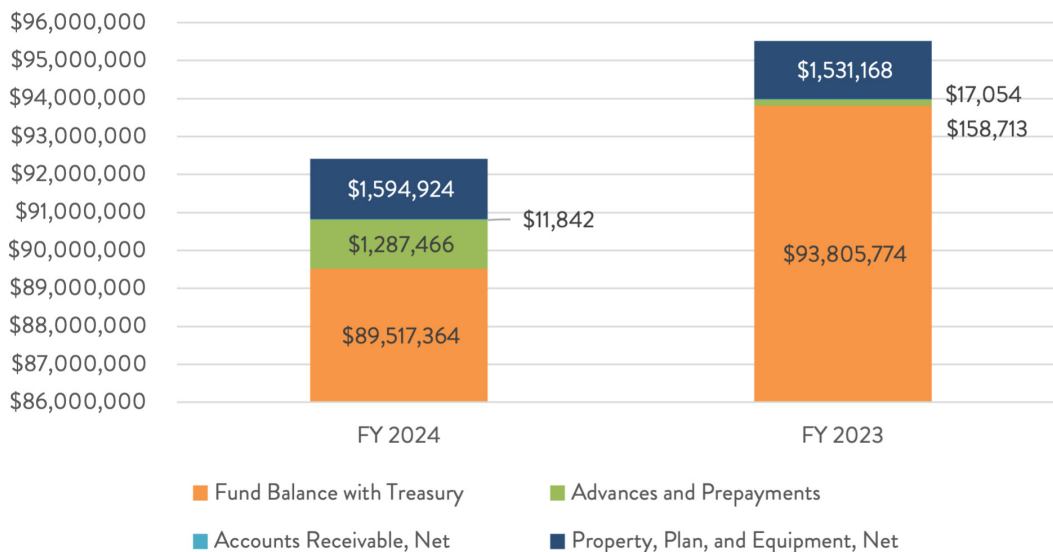
Balance Sheet

The Balance Sheet provides a snapshot of EAC’s financial position on September 30, 2024. The fiscal year-end Balance Sheet presents resources EAC holds to meet its statutory requirements (assets), the amounts owed (liabilities), and the difference between them (net position).

Analysis of Assets

EAC’s most significant assets are intragovernmental (98.3 percent) which comprise of the Fund Balance with Treasury, and Advances and Prepayments. The Other than Intragovernmental Assets include Accounts Receivable (Net), Property, Plant, and Equipment (Net), and Advances and Prepayments account for the remaining assets (1.7 percent). At the end of FY 2024, the EAC held \$92.4 million in total assets, a 3.25 percent decrease from \$95.5 million at the end of FY 2023.

Assets by Account for FY 2024 and FY 2023





Liabilities

The EAC's liabilities include Accounts Payable, Federal Employee and Veteran Benefits Payable, and Other Liabilities, separated as Intragovernmental or Other than Intragovernmental Liabilities. At the end of FY 2024, the EAC's total liabilities were \$14.3 million, a 47 percent increase from \$9.7 million at the end of FY 2023.

Net Position

The EAC's net position is separated by two balances: Unexpended Appropriations and Cumulative Results of Operations. Each balance is presented on the Balance Sheet and the Statements of Changes in Net Position. At the end of FY 2024, the EAC's net position balance was \$78.1 million, a decrease of \$7.7 million (or 8.9 percent) from \$85.8 million in FY 2023.

Statement of Net Cost

The EAC's Statement of Net Cost reports the results of operations within three programs: Technology, Resources, and Operations. Net cost identified with each of the programs, such as direct personnel costs and specific program contract expenses, are allocated to the programs directly and offset against earned revenue attributed to the program cost. Other general agency overhead costs, such as rent, information technology, and financial management, are allocated on a per-employee basis. The methodology is outlined in the EAC's Cost Allocation Model and is reviewed by the financial statement auditors each year to ensure the accurate allocation of expenses to each program. At the end of FY 2024, the EAC's net cost of operations (expenses in the Salaries and Expenses, and Election Reform Programs appropriations) was \$91.2 million, an increase of \$0.2 million (or 0.2 percent) from \$91 million in FY 2023.

Statement of Changes in Net Position

The EAC's Statements of Changes in Net Position is separated by two balances: Unexpended Appropriations and Cumulative Results of Operations. Each balance is presented on the Balance Sheet and the Statements of Changes in Net Position. The Statement presents additional detail to identify the financing sources for each balance. At the end of FY 2024, the EAC's net position balance was \$78.1 million, a decrease of \$7.7 million (or 8.9 percent) from \$85.8 million in FY 2023.

Budgetary Resources

Budgetary resources are the amounts made available and their status at the end of the fiscal year. The majority of the EAC's available budgetary resources are in the one-year Salaries and Expenses appropriation. Budgetary resources include new Budget Authority from appropriations, Unobligated Balances, and Offsetting Collections.

In FY 2024, the Total Budgetary Resources were \$148.8 million, down from \$174.3 million in FY 2023. In FY 2024, as mentioned previously, the EAC's appropriations totaled \$27.72 million for Salaries and Expenses, including \$1.25 million to NIST through the form of an interagency agreement. In FY 2024, Spending Authority from Offsetting Collections was \$55 million.

Obligations incurred decreased to \$84.2 million [New Obligations and Upward Adjustments Total] in FY 2024 from \$108.9 million in FY 2023. The Unobligated Balance – Apportioned, decreased to \$0.3 million in FY 2024 from \$1.1 million in FY 2023.



Limitations of the Financial Statements

The principal financial statements have been prepared to report the financial position and results of operations of the entity, pursuant to the requirements of 31 U.S. Code 3515(b). The statements have been prepared from the books and records of EAC in accordance with GAAP for federal entities and the formats prescribed by the Office of Management and Budget. The statements are in addition to the financial reports that are used to monitor and control budgetary resources during execution of the budget, which are prepared from the same books and records.

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

Analysis of EAC's Systems, Controls, and Legal Compliance

The EAC prioritizes integrity and accountability in its operations through effective internal systems and controls to ensure compliance, and for responsible stewardship of assets, effective service delivery, and achieving desired program outcomes.

This section of the report provides the required information on the EAC's compliance with the Federal Managers' Financial Integrity Act of 1982 (FMFIA) and presents the EAC's management assurance statement. In addition, this section describes how the EAC activities, processes, and systems help contribute to other applicable legislative mandates, and initiatives to improve its financial and performance management operations. Other legislative mandates include:

- Accountability of Tax Dollars Act of 2002
- Federal Manager's Financial Integrity Act (FMFIA)
- Federal Information Security Modernization Act (FISMA)
- Payment Integrity Information Act (PIIA)
- Digital Accountability and Transparency Act of 2014 (DATA)
- Accountability of Tax Dollars Act of 2002

The Accountability of Tax Dollars Act extends requirements for agencies not subject to the CFO Act, including the EAC, to prepare and submit annual audited financial statements to Congress and the Director of the Office of Management and Budget.



Federal Manager's Financial Integrity Act

The Federal Manager's Financial Integrity Act (FMFIA) of 1982 requires Executive Branch agencies to establish, maintain, and assess internal controls to ensure that agency programs and financial operations are performed effectively and efficiently. To help ensure that controls have been identified and implemented, the heads of agencies must annually evaluate and report on the effectiveness of internal controls (FMFIA Section 2) and financial management systems (FMFIA Section 4) that protect the integrity of federal programs. The EAC has provided the 2024 Annual Statement of Assurance to senior leadership as a part of its 2024 fiscal year-end processes. The FY 2024 Unmodified Management Assurance Statement is consistent with the FY 2024 independent financial statement audit report which did not identify a material weakness, and can be found in the "Financial Information" section of the AFR.

Federal Information Security Modernization Act (FISMA)

The Federal Information Security Management Act, enacted in 2002, and updated in 2014, requires agencies to implement effective information security to safeguard federal information and systems from an array of weaknesses and threats. According to the results of the Office of Inspector General's Audit of the EAC's compliance with FISMA for FY 2024, the EAC generally implemented an effective information security program. The audit is available on the EAC Office of Inspector General directed [website](#).

Payment Integrity Information Act of 2019 (PIIA)

To help identify and reduce improper payments government-wide, the Payment Integrity Information Act requires agencies to assess susceptible programs and activities and share the results in the AFR. In May 2024, the EAC OIG conducted a review of EAC's compliance with the PIIA for FY 2023 and determined that EAC was compliant with PIIA reporting requirements for FY 2023. The review is available on the EAC Office of Inspector General directed [website](#). More information on EAC's compliance with the PIIA is found in the "Other Information" section of the AFR.

Digital Accountability and Transparency Act of 2014 (DATA)

To improve transparency of federal spending, the Digital Accountability and Transparency Act of 2014, requires agencies to report on spending data through standardized and more accessible formats. The Act mandated the [USASpending.gov](#) site for the public and other stakeholders to be able to track and examine federal spending across agencies and other variables. As required by the DATA Act, the EAC grants data is reported on [USASpending.gov](#).

Internal Control, Financial Management Systems, and Enterprise Risk Management

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



The EAC has developed and implemented management, administrative and financial system controls with the aim of ensuring that:

- 1) programs and operations achieve intended results efficiently and effectively,
- 2) resources are used in accordance with the mission of the agency,
- 3) programs and resources are protected from waste, fraud and abuse,
- 4) program and operational activities are in compliance with laws and regulations, and
- 5) reliable, complete and timely data are maintained and used for decision-making.

The EAC has a shared services agreement with the Department of Treasury, Bureau of the Fiscal Service, Administrative Resource Center (ARC) for financial management, procurement, and travel systems support and processing. Leveraging the latest systems technology from ARC helps ensure Federal financial management system requirements and that information and financial systems transact, record, control, monitor, and report pertinent and required information, compliant with laws and agreement terms. Oracle Federal Financials (Oracle) is the EAC's financial management system of record. Interfacing input systems to Oracle include: the Procurement Request Information System Management (PRISM) to support requests for procurement actions to ensure validation that funds are available and approval from an authorized official among other actions; ConcurGov travel system to prepare, approve, record, and process travel bookings and expenses compliant to the Federal Travel Regulations; and Invoice Processing Platform that provides payment services for Federal agencies.

The EAC continually seeks to improve upon its financial management systems to provide accurate, relevant, and reliable information for financial reporting that its stakeholders use to support decision-making.

The EAC integrates risk management and internal control activities through a series of key processes to help ensure and strengthen operational, financial, and compliance processes and manage identified risks. These inter-related processes are performed on a regular basis throughout EAC units to ensure compliance with the internal control requirements of OMB Circular A-123. Management is responsible for assessing risks, developing and documenting the controls used in their respective units to mitigate assessed risks, training staff to implement risk mitigation processes and ensure control activities are being performed as intended, and issues unit statements of assurance to the reliability of the controls. The CFO provides technical guidance and support for decisions on the level of control. The Executive Director provides oversight of the internal control program, and reviews, approves, and recommends for the Committee Chair's approval the EAC Annual Statement of Assurance.

In FY 2024, the EAC continued to mature its enterprise risk management (ERM) program by designating a Chief Risk Officer and designing an ERM implementation guidance manual to update existing risk management processes.



Enterprise-wide Information Systems and Security Management Systems

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

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

Inspector General Act, as amended, and Other Independent Oversight

EAC's Office of the Inspector General (OIG) conducts audits and reviews of the agency's operations. EAC management is cognizant of the importance for independent oversight of agency programs and operations and its responsibility to make recommendations to improve efficiency, effectiveness, and economy and help detect, deter, and identify fraud, waste, and abuse. The EAC Office of the Inspector General audits HAVA funds administered by recipients of HAVA payments and grants and transmits OMB Circular A-133 single audit reports that present findings on HAVA funds to EAC. The principal recipients of HAVA payments and grant funds are state governments. The EAC's Inspector General's statement of major management and performance challenges are documented in the "Other Information" section of the AFR.

The EAC also considers and responds to recommendations from audits and reviews conducted by the Government Accountability Office.



Audit Follow-Up Results for FY 2024

The EAC management works closely with the OIG and independent oversight entities to complete actions necessary to respond to audit findings and take corrective action on recommendations made in a timely manner. Upon an opened audit recommendation made resulting from an audit that EAC management has accepted, sufficient and appropriate evidence is submitted by the EAC to the oversight entity for clearance that final action was taken, and the recommendation closed. During FY 2024 79 new recommendations were made to improve the EAC's programs and operations and 72 recommendations were closed. As of September 30, 2024, the EAC has 38 outstanding audit recommendations.

FY 2024 Audit Recommendation Activity²

Recommendation Beginning Balance	31
New Recommendations Made in FY 2024	79
Closed Recommendations in FY 2024	72
<hr/>	
Recommendation Ending Balance	38

² Source: U.S. Election Assistance Commission Office of Inspector General

Assurance Statement



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

FY 2024 Management Assurance Statement

November 15, 2024

The U.S. Election Assistance Commission (EAC) 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 (FMFIA)³. The EAC conducted its assessment of risk and internal control in accordance with Office of Management and Budget Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*.⁴ Based on the results of the assessment, the EAC can provide reasonable assurance that internal control over operations, reporting, and compliance were operating effectively, as of September 30, 2024.

A handwritten signature in blue ink, appearing to read "Ben Hovland".

Ben Hovland, Chairman

³ The Federal Managers' Financial Integrity Act can be accessed at- <https://www.congress.gov/bill/97th-congress/house-bill/1526/text>

⁴ Office of Management and Budget Circular 4-123 can be accessed at: https://whitehouse.gov/wp-content/uploads/legacy_drupal_files/omb/memoranda/2016/m-16-17.pdf

SECTION II – Financial Information

Inspector General's Transmittal Letter

OFFICE OF INSPECTOR GENERAL

U.S. Election Assistance Commission

**AUDIT OF THE U.S. ELECTION ASSISTANCE
COMMISSION'S FINANCIAL STATEMENTS FOR
FISCAL YEAR 2024**

Report No. F24HQ0053-25-01
November 14, 2024



HIGHLIGHTS

AUDIT OF EAC'S FINANCIAL STATEMENTS FOR FISCAL YEAR 2024

Report No. F24HQ0053-25-01

November 14, 2024

What Was Audited

The Office of Inspector General (OIG), through the independent public accounting firm of Allmond & Company, LLC, audited the U.S. Election Assistance Commission's (EAC) financial statements for the fiscal year ended September 30, 2024.

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

What Was Found

The audit found that EAC's financial statements present fairly, in all material respects, EAC's financial position as of September 30, 2024, and 2023, and its net cost of operations, changes in net position, and budgetary resources for the fiscal year then ended in accordance with U.S. generally accepted accounting principles.

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

However, the audit identified a significant deficiency in EAC's financial reporting controls related to improvements needed in entity-level control policies and procedures.

What OIG Recommended

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

- 1 Document policies and procedures for all significant process areas.
- 2 Ensure that all management and personnel have read and understand the documented policies and procedures.
- 3 Perform periodic reviews of policies and procedures, and policies and procedures are updated in a timely manner.
- 4 Develop process narratives.



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

DATE: November 14, 2024

TO: U.S. Election Assistance Commission, Executive Director, Brianna Schletz

FROM: U.S. Election Assistance Commission, Acting Inspector General, Sarah Dreyer

SUBJECT: Audit of the U.S. Election Assistance Commission's Financial Statements for Fiscal Year 2024 (Report No. F24HQ0053-25-01)

We contracted with the independent public accounting firm of Allmond and Company, LLC (Allmond & Company) to audit the financial statements of U.S. Election Assistance Commission (EAC) as of and for the fiscal year ended September 30, 2024, to provide a report on internal control over financial reporting, report on compliance with laws and other matters, and provide a report on whether EAC's financial management systems complied with selected provisions of applicable laws, regulations, contracts, and grant agreements. The contract required that the audit be performed in accordance with U.S. generally accepted government auditing standards, Office of Management and Budget audit guidance, and the *GAO/CIGIE Financial Audit Manual*.

In its audit of EAC, Allmond & Company reported:

- the financial statements are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles;
- EAC had no material weakness in internal control over financial reporting; however, there was one significant deficiency¹ related to entity-level policies and procedures;
- no instances where EAC's financial management systems did not comply substantially with the Federal Financial Management Improvement Act of 1996; and
- no reportable noncompliance with provisions of laws tested or other matters.

Allmond & Company also issued a management letter report discussing control deficiencies related to the ratification of contracts and personnel files. This letter will be transmitted separately.

Allmond & Company is responsible for the attached auditor's report dated November 12, 2024, and the conclusions expressed therein. We do not express opinions on EAC's financial statements or internal control over financial reporting, or on whether EAC's financial management systems complied substantially with the applicable provisions of laws tested, or conclusions on compliance and other matters.

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

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

EAC – 2024 Financial Statement Audit
Contract: 47QRAA21D0026/20342123F00006

U.S. Election Assistance Commission
Fiscal Year 2024 Financial Statement Audit

Final Independent Auditor’s Report

Submitted for review and acceptance to:

Sarah Dreyer
Contracting Officer's Representative
Election Assistance Commission Office of Inspector General
633 3rd Street NW, Suite 200
Washington, DC 20001

Submitted by:

Jason L. Allmond CPA, CGFM, CISA, CISM
Managing Member
Allmond & Company, LLC
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Lanham, MD 20706
301-918-8200
jallmond@allmondcpa.com

Final Independent Auditors’ Report

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

**U.S. ELECTION ASSISTANCE COMMISSION
AUDIT REPORT
SEPTEMBER 30, 2024**



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



Independent Auditor's Report

Chairman, Election Assistance Commission
Executive Director, Election Assistance Commission

Inspector General Election Assistance Commission:

Report on the Financial Statements

Opinion

In accordance with the Accountability of Tax Dollars Act of 2002, we have audited the Election Assistance Commission (EAC) financial statements. EAC financial statements comprise the balance sheet as of September 30, 2024, and 2023; the related statement of net cost, changes in net position, and budgetary resources for the fiscal years then ended; and the related notes to the financial statements.

In our opinion, EAC's financial statements present fairly, in all material respects, EAC's financial position as of September 30, 2024, and 2023, and its net cost of operations, changes in net position, and budgetary resources for the fiscal year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with U.S. generally accepted auditing standards (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 24-02 are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of EAC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for

- the preparation and fair presentation of the financial statements in accordance U.S. generally accepted accounting principles;
- preparing, measuring, and presenting the Required Supplementary Information (RSI) in accordance with U.S. generally accepted accounting principles;
- preparing and presenting other information included in EAC's Agency Financial Report, and ensuring the consistency of that information with the audited financial statements and the RSI; and
- designing, implementing, and maintaining effective internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to (1) obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and (2) issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, generally accepted government auditing standards (GAGAS), and OMB Bulletin No. 24-02 will always detect a material misstatement when it exists.

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

In performing an audit in accordance with GAAS, GAGAS, and OMB Bulletin No. 24-02, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures that are responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to an audit of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of EAC's internal control over financial reporting. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Perform other procedures we consider necessary in the circumstances.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope of and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the financial statement audit.

Required Supplementary Information (RSI)

U.S. generally accepted accounting principles issued by the Federal Accounting Standards Advisory Board (FASAB) require that the information in the RSI be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by FASAB, which considers it to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context.

We have applied certain limited procedures to the RSI in accordance with U.S. generally accepted government auditing standards. These procedures consisted of (1) inquiring of management about the methods used to prepare the RSI and (2) comparing the RSI for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during the audit of the financial

statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

Other Information

EAC's other information contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. Management is responsible for the other information included in EAC's Agency Financial Report. The other information comprises the *Message from the Chairman, Management and Discussion Analysis, FY 2024 Accomplishments*, and *Other Information* sections but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Report on Internal Control over Financial Reporting

In connection with our audits of EAC's financial statements, we considered EAC's internal control over financial reporting, consistent with the auditor's responsibilities discussed below.

Results of Our Consideration of Internal Control over Financial Reporting

Our consideration of internal control was for the limited purpose described below and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies¹ or to express an opinion on the effectiveness of EAC's internal control over financial reporting. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses; however, material weaknesses or significant deficiencies may exist that have not been identified.

During our fiscal year 2024 audit, we identified a deficiency in EAC's internal control over financial reporting that we consider to be a significant deficiency. The deficiency is described in the accompanying Exhibit I, *Findings and Recommendations*, to this report. We considered this significant deficiency in determining the nature, timing, and extent of our audit procedures on EAC's fiscal year 2024 and 2023 financial statements. Although the significant deficiency in internal control did not affect our opinion on

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

EAC's fiscal year 2024 and 2023 financial statements, misstatements may occur in unaudited financial information reported internally and externally by EAC because of this significant deficiency.

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

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

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

Responsibilities of Management for Internal Control over Financial Reporting

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

Auditor's Responsibilities for Internal Control over Financial Reporting

In planning and performing our audit of EAC's financial statements as of and for the fiscal year ended September 30, 2024, in accordance with U.S. generally accepted government auditing standards, we considered EAC's internal control relevant to the financial statement audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of EAC's internal control over financial reporting. Accordingly, we do not express an opinion on EAC's internal control over financial reporting. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations.

Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel. The objectives of internal control over financial reporting are to provide reasonable assurance that

- transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and
- transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements.

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

Intended Purpose of Report on Internal Control over Financial Reporting

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

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

In connection with our audits of EAC's financial statements, we tested compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements consistent with our auditor's responsibilities discussed below.

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

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance for fiscal year 2024 that would be reportable under U.S. generally accepted government auditing standards. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to EAC. Accordingly, we do not express such an opinion.

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

We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards and OMB audit guidance.

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

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

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

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

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

The purpose of this report is solely to describe the scope of our testing of compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering compliance.

Accordingly, this report on compliance with laws, regulations, contracts, and grant agreements is not suitable for any other purpose.

EAC's Response to Findings

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

Allmond & Company, LLC

Lanham, MD
November 12, 2024

Improvements needed in Election Assistance Commission Entity Level Control Policies and Procedures (2024-01)

CONDITION

Improvements are needed in the Election Assistance Commission's (EAC) entity-level control policies and procedures. Entity-level controls are an integral part of an entity internal control systems and serves as a foundation of the processes management uses to guide its operations. These controls include the control environment, risk assessment, information and communication, control activities, and monitoring activities. We noted EAC has weaknesses in its entity-level controls within the following areas:

Design Appropriate Types of Control Activities – EAC management did not have documented policies and procedures over three significant financial processes. After continued, routine auditor request, EAC was unable to provide documented policies and procedures over their Financial Reporting, Fund Balance with Treasury, and Procurement significant process areas during the FY 2024 EAC Financial Statement Audit.

Succession and Contingency Planning – EAC management did not have a comprehensive financial management succession plan to ensure appropriate personnel had access to key historical financial reporting decisions and documents was maintained such that newly hired personnel would be able to assume the responsibilities of the key financial positions at EAC. As a result, during the significant process area walkthroughs, EAC management and personnel were unable to explain how several significant processes are performed at the agency.

CRITERIA

U.S. Government Accountability Office GAO-14-704G, *Standards for Internal Control in the Federal Government* (or "Green Book"), September 2014 revision, *Section 10.03 Design of Appropriate Types of Control Activities* states that, "Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. The documentation may appear in management directives, administrative policies, or operating manuals, in either paper or electronic form. Documentation and records are properly managed and maintained."

In addition, *Section 10.02 Response to Objectives and Risk* states, "Management designs control activities in response to the entity's objectives and risks to achieve an effective internal control system. Control activities are the policies, procedures, techniques, and mechanisms that enforce management's directives to achieve the entity's objectives and address related risks. As part of the control environment component, management defines responsibilities, assigns them to key roles, and delegates authority to achieve the entity's objectives. As part of the risk assessment component, management identifies the risks related to the entity and its objectives, including its service organizations; the entity's risk tolerance; and risk responses. Management designs control activities to fulfill defined responsibilities and address identified risk responses."

Further, *Section 4.04 Expectations of Competence* states, "Personnel need to possess and maintain a level of competence that allows them to accomplish their assigned responsibilities, as well as understand the importance of effective internal control. Holding individuals accountable to established policies by

evaluating personnel's competence is integral to attracting, developing, and retaining individuals. Management evaluates competence of personnel across the entity in relation to established policies. Management acts as necessary to address any deviations from the established policies."

Ultimately, as *Section OV4.08 Documentation Requirements*, of the Greenbook states, "Documentation is a necessary part of an effective internal control system. The level and nature of documentation vary based on the size of the entity and the complexity of the operational processes the entity performs. Management uses judgment in determining the extent of documentation that is needed. Documentation is required for the effective design, implementation, and operating effectiveness of an entity's internal control system."

CAUSE

EAC solely relies on the Service Level Agreement that the agency has signed with their service provider, Bureau of Fiscal Service Administrative Resource Center (BFS/ARC), to be EAC's guidance on policies and procedures in effect at the agency over the Financial Reporting, Fund Balance with Treasury, and Procurement significant processes.

We noted that during fiscal year 2024, EAC has gone through several changes with key personnel and the personnel placed in management positions, acting or otherwise, have no documented policies and procedures to rely on for the three identified significant financial processes.

EFFECT

Without documented EAC policies and procedures, EAC is at risk of having an ineffective internal control system. More specifically, EAC is susceptible to failing to design and implement control activities to achieve objectives and appropriately respond to risks.

Furthermore, management and other personnel are at risk of being unable to adequately fulfill appointed positions ultimately leaving the agency vulnerable to misstatements in financial reporting.

RECOMMENDATION

We recommend that EAC management:

- Document policies and procedures for all significant process areas; including outlining the responsibilities of EAC personnel and the responsibilities of EAC's service providers.
- Ensure that all management and personnel, directly and indirectly responsible for performing processes outlined, have read, and understand the documented policies and procedures.
- Perform periodic review of policies and procedures, and policies and procedures are updated in a timely manner.

- Develop process narratives to assist new and transitioning personnel in understanding their scope of responsibilities and job function as well as help management perform review.

MANAGEMENT RESPONSE

EAC management agrees with the recommendation and notes the audit report did not identify any actual instances of financial reporting errors or non-compliance.

As the finding states, EAC had gone through personnel changes and extended vacancies in financial positions in FY 2024, likely contributing to a lack of awareness of existing policies and procedures for the identified areas. However, to reduce inherent human capital risk the EAC faces as a small agency, it relies upon a service agreement with the U.S. Department of Treasury, Bureau of the Fiscal Service, and the Administrative Resource Center (ARC) for financial management support and processing. Leveraging the latest systems technology from ARC helps the EAC ensure Federal financial management system requirements, and that information and financial systems transact, record, control, monitor, and report pertinent and required information, compliant with laws and agreement terms. The EAC relies on ARC to implement key financial reporting processes based on ARC's policy, which is consistent with Federal reporting requirements and meets the intent of the service provided.

The EAC also has had these procedures in draft format and has initiated the documentation and communication to ensure finance personnel understand responsibilities and that entity-level controls policies are reviewed to include significant processes and finalized. We intend to complete this process by June 2025.

AUDITOR RESPONSE

We will perform follow up procedures during FY 2025 to determine if corrective action has been fully implemented.

Status of Prior Year Findings and Recommendations

The following table provides the fiscal year (FY) 2024 status of all recommendations included in the Audit Report on the Election Assistance Commission’s FY 2023 Financial Statements (November 10, 2023).

FY 2023 Finding	Prior Year Recommendation	FY 2024 Status
Improvements Needed over Implementation of Election Assistance Commission Procurement Policies and Procedures (2023-01)	Recommendation: We recommend that EAC management:	
	1. Utilize a contracting officer(s), such as their designated service provider, to enter into all new contracts on behalf of the EAC.	Closed
	2. Review all current open obligations and identify all contracts entered into without proper authorization and have the EAC and/or service provider contracting officer ratify the contracts. Ensure that the authorization is properly documented.	Open
	3. Ensure that all signed contracts are appropriately retained by EAC and or their service provider.	Closed

UNITED STATES ELECTION ASSISTANCE COMMISSION

FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
SEPTEMBER 30, 2024 AND 2023**





**UNITED STATES ELECTION ASSISTANCE COMMISSION
FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

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UNITED STATES ELECTION ASSISTANCE COMMISSION
BALANCE SHEETS
AS OF SEPTEMBER 30, 2024 AND 2023
(In Dollars)

	2024	2023
Assets		
Intragovernmental Assets		
Fund Balance with Treasury (Note 2)	\$ 89,517,364	\$ 93,805,774
Advances and Prepayments	1,286,819	158,713
Total Intragovernmental Assets	90,804,183	93,964,487
Other than Intragovernmental Assets		
Accounts Receivable, Net (Note 3)	11,842	17,054
Property, Plant, and Equipment, Net (Note 4)	1,594,924	1,531,168
Advances and Prepayments	647	-
Total Other than Intragovernmental Assets	1,607,413	1,548,222
Total Assets	\$ 92,411,596	\$ 95,512,709
Liabilities (Note 5)		
Intragovernmental Liabilities		
Accounts Payable	\$ 475,554	\$ 545,731
Other Liabilities (Note 6)	91,707	54,753
Total Intragovernmental Liabilities	567,261	600,484
Other than Intragovernmental Liabilities		
Accounts Payable	2,801,466	2,023,566
Federal Employee Salary, Leave, and Benefits Payable	939,681	496,258
Other Liabilities (Note 6)	9,975,512	6,599,643
Total Other than Intragovernmental Liabilities	13,716,659	9,119,467
Total Liabilities	\$ 14,283,920	\$ 9,719,951
Commitments and Contingencies (Note 8)		
Net Position		
Unexpended Appropriations		
Funds from Other than Dedicated Collections	\$ 22,212,121	\$ 84,737,308
Total Unexpended Appropriations (Consolidated)	22,212,121	84,737,308
Cumulative Results of Operations		
Funds from Other than Dedicated Collections	55,915,555	1,055,450
Total Cumulative Results of Operations (Consolidated)	55,915,555	1,055,450
Total Net Position	\$ 78,127,676	\$ 85,792,758
Total Liabilities and Net Position	\$ 92,411,596	\$ 95,512,709

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

UNITED STATES ELECTION ASSISTANCE COMMISSION
STATEMENTS OF NET COST
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2024 AND 2023
(In Dollars)

	2024	2023
Gross Program Costs (Note 9)		
Program A: Technology		
Gross Costs	\$ 75,301,268	\$ 79,609,539
Less: Earned Revenue	-	-
Net Program Costs	75,301,268	79,609,539
Program B: Resources		
Gross Costs	6,726,643	5,222,235
Less: Earned Revenue	-	-
Net Program Costs	6,726,643	5,222,235
Program C: Operations		
Gross Costs	9,150,285	6,172,032
Less: Earned Revenue	(200)	-
Net Program Costs	9,150,085	6,172,032
Net Cost of Operations	\$ 91,177,996	\$ 91,003,806

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

UNITED STATES ELECTION ASSISTANCE COMMISSION
STATEMENTS OF CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2024 AND 2023
(In Dollars)

	2024	2023
Unexpended Appropriations		
Beginning Balance	\$ 84,737,308	\$ 73,490,262
Beginning Balance, as Adjusted	\$ 84,737,308	\$ 73,490,262
Appropriations Received	27,720,000	103,000,000
Other Adjustments	(283,950)	(520,070)
Appropriations Used	(89,961,237)	(91,232,884)
Net Change in Unexpended Appropriations	(62,525,187)	11,247,046
Total Unexpended Appropriations	\$ 22,212,121	\$ 84,737,308
Cumulative Results of Operations		
Beginning Balance	\$ 1,055,450	\$ 243,823
Beginning Balance, as Adjusted	\$ 1,055,450	\$ 243,823
Appropriations Used	89,961,237	91,232,884
Imputed Financing (Note 10)	1,077,064	582,549
Other	54,999,800	-
Net Cost of Operations	(91,177,996)	(91,003,806)
Net Change in Cumulative Results of Operations	54,860,105	811,627
Total Cumulative Results of Operations	\$ 55,915,555	\$ 1,055,450
Net Position	\$ 78,127,676	\$ 85,792,758

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

UNITED STATES ELECTION ASSISTANCE COMMISSION
STATEMENTS OF BUDGETARY RESOURCES
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2024 AND 2023
(In Dollars)

	2024	2023
Budgetary Resources		
Unobligated Balance From Prior Year Budget Authority, Net (Note 11)	\$ 66,089,259	\$ 71,347,972
Appropriations	27,720,000	103,000,000
Spending Authority from Offsetting Collections	55,000,000	-
Total Budgetary Resources	\$ 148,809,259	\$ 174,347,972
Status of Budgetary Resources		
New Obligations and Upward Adjustments (Total)	\$ 84,179,132	\$ 108,862,443
Unobligated Balance, End of Year		
Apportioned, Unexpired Accounts	287,284	1,086,825
Unapportioned, Unexpired Accounts	3,783,490	3,783,490
Unexpired Unobligated Balance, End of Year	4,070,774	4,870,315
Expired Unobligated Balance, End of Year	60,559,353	60,615,214
Unobligated Balance, End of Year (Total)	64,630,127	65,485,529
Total Budgetary Resources	\$ 148,809,259	\$ 174,347,972
Outlays, Net and Disbursements, Net		
Outlays, Net (Total)	\$ 31,724,460	\$ 90,493,391
Agency Outlays, Net	\$ 31,724,460	\$ 90,493,391

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

Other responsibilities include distributing and monitoring HAVA funds provided to States and other grantees, conducting the Election Administration and Voting Survey (EAVS) following each federal election, and maintaining the national mail voter registration form developed in accordance with the National Voter Registration Act of 1993. Additionally, the agency employs subject matter experts in election administration, voting technology, cyber security, and election law to produce best practices, resources, guidance, trainings, pilot programs, and studies to serve the nation's election officials.

HAVA established the Standards Board and the Board of Advisors to advise EAC. The law also established the Technical Guidelines Development Committee to assist EAC in the development of voluntary voting system guidelines. The EAC established the Local Leadership Council as a fourth FACA board to advise the agency from the perspective of local election officials.

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

The EAC reporting entity is comprised of General Funds and General Miscellaneous Receipts.

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

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

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

B. Basis of Presentation

The financial statements have been prepared to report the financial position and results of operations of the EAC. The Balance Sheet presents the financial position of the agency. The Statement of Net Cost presents the agency's operating results; the Statement of Changes in Net Position displays the changes in the agency's equity accounts. The Statement of Budgetary Resources presents the sources, status, and uses of the agency's resources and follows the rules for the Budget of the United States Government.

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

Starting in fiscal year 2024, Federal reporting entities are required to report a right-to-use lease asset and a lease liability for non-intragovernmental, non-short-term contracts or agreements, when the entity has the right to obtain and control access to economic benefits or services from an underlying property, plant, or equipment asset for a period of time in exchange for consideration under the terms of the contract or agreement.

C. Basis of Accounting

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

D. Fund Balance with Treasury

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

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

E. Accounts Receivable

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

F. Property, Equipment, and Software

Property, equipment, and software represent furniture, fixtures, equipment, and information technology hardware and software which are recorded at original acquisition cost and are depreciated or amortized using the straight-line method over their estimated useful lives. Major alterations and renovations are

capitalized, while maintenance and repair costs are expensed as incurred. The EAC’s capitalization threshold is \$25,000 for individual purchases and \$100,000 for bulk purchases. Property, equipment, and software acquisitions that do not meet the capitalization criteria are expensed upon receipt. Applicable standard governmental guidelines regulate the disposal and convertibility of agency property, equipment, and software. The useful life classifications for capitalized assets are as follows:

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

G. Advances and Prepaid Charges

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

H. Liabilities

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

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

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

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

I. Annual, Sick, and Other Leave

Annual leave is accrued as it is earned, and the accrual is reduced as leave is taken. The balance in the accrued leave account is adjusted to reflect current pay rates. Liabilities associated with other types of vested leave, including compensatory, restored leave, and sick leave in certain circumstances, are accrued at year-end, based on latest pay rates and unused hours of leave. Funding will be obtained from future financing sources to the extent that current or prior year appropriations are not available to fund annual and other types of vested leave earned but not taken. Nonvested leave is expensed when used. Any liability

for sick leave that is accrued but not taken by a Civil Service Retirement System (CSRS)-covered employee is transferred to the Office of Personnel Management (OPM) upon the retirement of that individual. Credit is given for sick leave balances in the computation of annuities upon the retirement of Federal Employees Retirement System (FERS)-covered employees.

J. Accrued and Actuarial Workers' Compensation

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

K. Retirement Plans

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

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

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

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

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

L. Other Post-Employment Benefits

The EAC's employees eligible to participate in the Federal Employees' Health Benefits Plan (FEHBP) and the Federal Employees' Group Life Insurance Program (FEGSIP) may continue to participate in these programs after their retirement. The OPM has provided the EAC with certain cost factors that estimate the true cost of providing the post-retirement benefit to current employees. The EAC recognizes a current cost

for these and Other Retirement Benefits (ORB) at the time the employee's services are rendered. The ORB expense is financed by OPM, and offset by the EAC through the recognition of an imputed financing source.

M. Use of Estimates

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

N. Grants

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

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

O. Classified Activities

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

NOTE 2. FUND BALANCE WITH TREASURY

Fund Balance with Treasury account balances as of September 30, 2024 and 2023, were as follows:

	2024	2023
Status of Fund Balance With Treasury		
Unobligated Balance		
Available	\$ 287,284	\$ 1,086,825
Unavailable	64,342,843	64,398,704
Obligated Balance Not Yet Disbursed	24,887,237	28,320,245
Total	\$ 89,517,364	\$ 93,805,774

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

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

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

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

NOTE 3. ACCOUNTS RECEIVABLE, NET

Accounts receivable balances as of September 30, 2024 and 2023, were as follows:

	2024	2023
Intragovernmental		
Accounts Receivable	\$ -	\$ -
Total Intragovernmental Accounts Receivable	\$ -	\$ -
Other than Intragovernmental		
Accounts Receivable	\$ 11,842	\$ 17,054
Total Other than Intragovernmental Accounts Receivable	\$ 11,842	\$ 17,054
Total Accounts Receivable	\$ 11,842	\$ 17,054

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

Historical experience has indicated that the majority of the receivables are collectible. There are no material uncollectible accounts as of September 30, 2024 and 2023.

NOTE 4. PROPERTY, PLANT, AND EQUIPMENT, NET

Schedule of General Property, Plant, and Equipment, Net as of September 30, 2024 and 2023:

	Acquisition Cost	Accumulated Depreciation and Amortization	Net Book Value
2024			
Major Class:			
Buildings	\$ -	\$ -	\$ -
Furniture and Equipment	1,038,004	451,801	586,203
Software	69,284	28,563	40,721
Software In Development	968,000	-	968,000
Total	\$ 2,075,288	\$ 480,364	\$ 1,594,924
2023			
Major Class:			
Buildings	\$ -	\$ -	\$ -
Furniture and Equipment	846,499	352,041	494,458
Software	86,414	17,704	68,710
Software In Development	968,000	-	968,000
Total	\$ 1,900,913	\$ 369,745	\$ 1,531,168

NOTE 5. LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

The liabilities for the EAC as of September 30, 2024 and 2023, include liabilities not covered by budgetary resources. Congressional action is needed before budgetary resources can be provided. Although future appropriations to fund these liabilities are likely and anticipated, it is not certain that appropriations will be enacted to fund these liabilities.

	2024	2023
Intragovernmental-Unemployment Insurance	11,311	-
Unfunded Leave	679,681	487,196
Total Liabilities Not Covered by Budgetary Resources	\$ 690,992	\$ 487,196
Total Liabilities Covered by Budgetary Resources	13,592,709	9,227,178
Liabilities Not Requiring Budgetary Resources	219	5,577
Total Liabilities	\$ 14,283,920	\$ 9,719,951

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

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

NOTE 6. OTHER LIABILITIES

Other liabilities account balances as of September 30, 2024 and 2023, were as follows:

	Current	Non-Current	Total
2024			
Intragovernmental:			
Employer Contributions and Payroll Taxes Payable (without reciprocals)	\$ 21,232	\$ -	\$ 21,232
Custodial Liability (to the General Fund)	17	-	17
Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity (to the general fund)	200	-	200
Employer Contributions and Payroll Taxes Payable	58,948	-	58,948
Other Unfunded Employment Related Liability	11,311	-	11,311
Total Intragovernmental	\$ 91,708	\$ -	\$ 91,708
Other than Intragovernmental:			
Unfunded Accrued Interest Payable	\$ -	\$ -	\$ -
Other Liabilities w/Related Budgetary Obligations	9,975,510	-	9,975,510
Custodial Liability	1	-	1
Total Other than Intragovernmental	\$ 9,975,511	\$ -	\$ 9,975,511
Total Other Liabilities	\$ 10,067,219	\$ -	\$ 10,067,219

2023

Intragovernmental:

Employer Contributions and Payroll Taxes Payable (without reciprocals)	\$ 11,672	\$ -	\$ 11,672
Custodial Liability (to the General Fund)	5,577	-	5,577
Employer Contributions and Payroll Taxes Payable	37,504	-	37,504
Total Intragovernmental	\$ 54,753	\$ -	\$ 54,753

Other than Intragovernmental:

Unfunded Accrued Interest Payable	\$ -	\$ -	\$ -
Other Liabilities w/Related Budgetary Obligations	6,599,643	-	6,599,643
Total Other than Intragovernmental	\$ 6,599,643	\$ -	\$ 6,599,643
Total Other Liabilities	\$ 6,654,396	\$ -	\$ 6,654,396

NOTE 7. LEASES

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

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

	Office Space	Total Federal
Fiscal Year		
2025	717,030	717,030
2026	720,896	720,896
2027	724,843	724,843
2028	728,872	730,038
2029	732,987	732,987
After 2029	860,767	860,767
Total Future Lease Payments	\$ 4,485,395	\$ 4,485,395

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

NOTE 8. COMMITMENTS AND CONTINGENCIES

The EAC did not have any material contingent liabilities that met disclosure requirements as of September 30, 2024 and 2023.

NOTE 9: INTRA-GOVERNMENTAL COSTS AND EXCHANGE REVENUE

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

	2024	2023
Technology		
Intragovernmental Costs	\$ 2,712,893	\$ 2,946,306
Public Costs	72,588,375	76,663,233

Less: Earned Revenue		-	-
Total Costs	\$	75,301,268	\$ 79,609,539
Resources			
Intragovernmental Costs	\$	653,104	\$ 1,851,881
Public Costs		6,073,539	3,370,354
Less: Earned Revenue		-	-
Total Costs	\$	6,726,643	\$ 5,222,235
Operations			
Intragovernmental Costs	\$	4,594,549	\$ 3,104,011
Public Costs		4,555,736	3,068,021
Less: Earned Revenue		(200)	-
Total Costs	\$	9,150,085	\$ 6,172,032
Total Intragovernmental Costs	\$	7,960,546	\$ 7,902,198
Total Public Costs		83,217,650	83,101,608
Total Costs		91,178,196	91,003,806
Less: Earned Revenue		(200)	-
Net Cost of Operations	\$	91,177,996	\$ 91,003,806

NOTE 10. INTER-ENTITY COSTS

EAC recognizes certain inter-entity costs for goods and services that are received from other federal entities at no cost or at a cost less than the full cost. Certain costs of the providing entity that are not fully reimbursed are recognized as imputed cost and are offset by imputed revenue. Such imputed costs and revenues relate to employee benefits and claims to be settled by the Treasury Judgement Fund. EAC recognizes as inter-entity costs the amount of accrued pension and post-retirement benefit expenses for current employees.

The assets and liabilities associated with such benefits are the responsibility of the administering agency, OPM. For the fiscal years ended September 30, 2024 and 2023, respectively, inter-entity costs were as follows:

	2024	2023
Office of Personnel Management	\$ 1,077,064	\$ 582,549
Total Imputed Financing Sources	\$ 1,077,064	\$ 582,549

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

The Unobligated Balance Brought Forward from the prior fiscal year has been adjusted for recoveries of prior year paid and unpaid obligations and other changes such as canceled authority. The Adjustments to Unobligated Balance Brought Forward, October 1, as of September 30, 2024 and 2023, consisted of the following:

	2024	2023
Unobligated Balance Brought Forward from Prior Year, October 1	\$ 65,485,529	\$ 62,205,344
Recoveries of Prior Year Obligations	887,680	9,662,698
Other Changes in Unobligated Balances	(283,950)	(520,070)

Unobligated Balance from Prior Year Budget Authority, Net (Discretionary and Mandatory)	\$ 66,089,259	\$ 71,347,972
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NOTE 12. UNDELIVERED ORDERS AT THE END OF THE PERIOD

Budgetary resources obligated for undelivered orders as of September 30, 2024 and 2023 were as follows:

	Intragovernmental	Other than Intragovernmental	Total
2024			
Paid Undelivered Orders	\$ 1,286,819	\$ 647	\$ 1,287,466
Unpaid Undelivered Orders	2,196,518	9,098,010	11,294,528
Total Undelivered Orders	\$ 3,483,337	\$ 9,098,657	\$ 12,581,994
2023			
Paid Undelivered Orders	\$ 158,712	\$ -	\$ 158,712
Unpaid Undelivered Orders	1,659,194	17,433,873	19,093,067
Total Undelivered Orders	\$ 1,817,906	\$ 17,433,873	\$ 19,251,779

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

The President’s Budget that will include fiscal year 2024 actual budgetary execution information has not yet been published. The President’s Budget is scheduled for publication in February 2025 and can be found at the OMB website: <http://www.whitehouse.gov/omb/>. The Fiscal Year 2025 Budget of the United States Government, with the "Actual" column completed for 2023, has been reconciled to the Statement of Budgetary Resources and there were no material differences.

(In Millions)

	Budgetary Resources	New Obligations & Upward Adjustments (Total)	Distributed Offsetting Receipts	Net Outlays
Combined Statement of Budgetary Resources	\$ 174	\$ 109	\$ -	\$ 90
Unobligated Balance Not Available	(61)	-	-	-
Budget of the U.S. Government	\$ 113	\$ 109	\$ -	\$ 90

NOTE 14. CUSTODIAL REVENUES

The EAC’s custodial collection primarily consists of Freedom of Information Act requests. While these collections are considered custodial, they are neither primary to the mission of the EAC nor material to the overall financial statements. The EAC total custodial collections are \$0 and \$0 for the years ended September 30, 2024 and 2023, respectively.

	2024	2023
Fines, Penalties, and Forfeitures	\$ -	\$ -

Total Custodial Collections	\$	-	\$	-
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NOTE 15: RECONCILIATION OF NET OPERATING COST & NET BUDGETARY OUTLAYS

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

The reconciliation of Net Cost to Net Outlays as of September 30, 2024:

	Intragovern- mental	Other than Intragovern- mental	Total
Net Operating Cost (Revenue) Reported on Statement of Net Cost	\$ 7,960,546	\$ 83,217,450	\$ 91,177,996
Components of Net Operating Cost Not Part of the Budgetary Outlays			
Property, Plant, and Equipment Depreciation Expense	-	(110,619)	(110,619)
Property, Plant, and Equipment Disposals and Revaluations	-	(17,130)	(17,130)
Gains/Losses on Lease Cancellations	-	(17,130)	(17,130)
Inventory Disposals and Revaluations	-	(17,130)	(17,130)
Gains/Losses on All Other Investments	-	(17,130)	(17,130)
Increase/(Decrease) in Assets Not Affecting Budgetary Outlays:			
Accounts Receivable, Net	-	346	346
Advances and Prepayments	1,128,106	647	1,128,753
(Increase)/Decrease in Liabilities Not Affecting Budgetary Outlays:			
Accounts Payable	70,178	(777,901)	(707,723)
Federal Employee Salary, Leave, and Benefits Payable	-	(284,913)	(284,913)
Other Liabilities	(42,315)	(3,534,376)	(3,576,691)
Financing Sources:			
Imputed Cost	(1,077,064)	-	(1,077,064)
Total Components of Net Operating Cost Not Part of the Budgetary Outlays	\$ 78,905	\$ (4,775,336)	\$ (4,696,431)
Components of the Budgetary Outlays That Are Not Part of Net Operating Cost			
Acquisition of Capital Assets	-	191,505	191,505
Total Components of the Budgetary Outlays That Are Not Part of Net Operating Cost	\$ -	\$ 191,505	\$ 191,505
Misc Items			
Custodial/Non-Exchange Revenue	(54,998,779)	(1,221)	(55,000,000)
Total Other Reconciling Items	\$ (54,998,779)	\$ (1,221)	\$ (55,000,000)
Total Net Outlays (Calculated Total)	\$ (46,959,328)	\$ 78,632,398	\$ 31,673,070
Budgetary Agency Outlays, net			\$ 31,724,460

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

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

NOTE 16. COVID-19 ACTIVITY

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

COVID-19 Activity as of September 30, 2024 and 2023:

	2024	2023
COVID-19 Activity		
Budgetary Resources: Unobligated (and unexpired) Balance Carried Forward from PY	\$ 59,426,109	\$ 57,447,435
Rescissions/Other Changes to Budgetary Resources	56,168	8,794,366
Budgetary Resources Obligated	(53,084)	(6,815,692)
Budgetary Resources: Ending Unobligated (and unexpired) Balance to be Carried Forward	\$ 59,429,193	\$ 59,426,109
Outlays, Net (Total)	\$ (46,916)	\$ (6,928,815)

In addition, this note should refer to other notes that discuss COVID-19 impacts. These could include, among others, the following notes: FBWT (Note 2), liabilities not covered by budgetary resources (Note 5), other liabilities (Note 6), intra-governmental costs and exchange revenue (Note 9), inter-entity costs (Note 10), etc.



Visit our website at oig.eac.gov.

U.S. Election Assistance Commission
Office of Inspector General
633 3rd Street, NW, Second Floor
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Report Waste, Fraud, and Abuse
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Section III – Other Information

Office of Inspector General's Management Challenges for FY 2025

OFFICE OF INSPECTOR GENERAL
U.S. Election Assistance Commission

MANAGEMENT CHALLENGES FOR THE U.S. ELECTION ASSISTANCE COMMISSION IN FISCAL YEAR 2025



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Introduction

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

The challenges are derived from cross-cutting issues that arise during regular audit, evaluation, and investigative work. They are also influenced by our general knowledge of EAC’s operations and the works of other oversight entities, such as the U.S. Government Accountability Office (GAO).

We identified four challenges EAC must navigate in fiscal year (FY) 2025: (1) Aligning Resources with Mission; (2) Coordinating to Meet Customer Needs; (3) Effective Management of Grants; and (4) Strengthening Internal Controls. These challenges are similar to those presented for FY 2024, though we have updated the descriptions to reflect new conditions. We have also combined challenges and streamlined their presentation, while still aiming to include a description of each challenge and the progress EAC has made to address them.

The Government Performance and Results Modernization Act of 2010 identifies major management challenges as programs or management functions that are vulnerable to fraud, waste, abuse, and mismanagement, and where a failure to perform well could seriously affect the ability of the agency to achieve its mission or goals.² We highlight that these challenges do not necessarily imply significant deficiencies or neglect from EAC. Elements of these challenges are longstanding, complex, and stem from factors beyond EAC’s full control. For our part, OIG is committed to providing timely oversight of EAC’s programs and operations and this report will help inform future work.

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

² Public Law 111-352.

1 | Aligning Resources with Mission

Priority Areas

- Ensuring funding is strategically allocated across objectives.
- Strengthening human capital management.

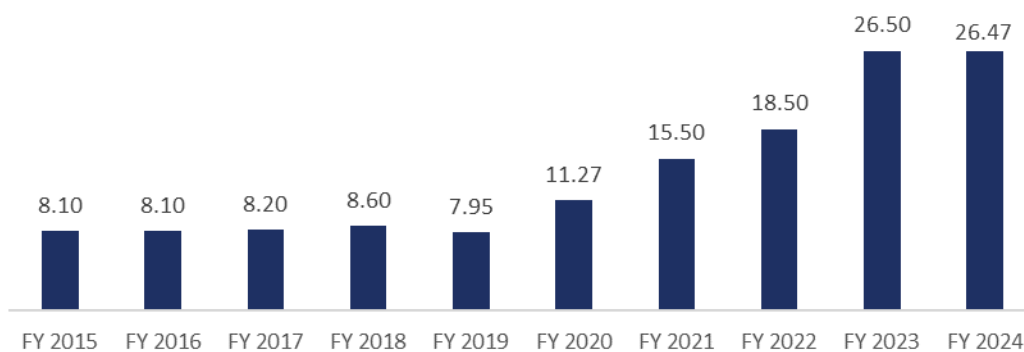
EAC was established in 2002 with the enactment of the Help America Vote Act (HAVA),³ and remains the only federal agency with a specific mandate to help improve U.S. election administration.⁴ Its primary functions are testing and certifying voting systems, maintaining a clearinghouse of information for election officials and the public, conducting research aimed at improving the voter experience and supporting election administrators, and distributing grants to states and territories. EAC executes these functions with four bipartisan Commissioners and support from under 80 staff members.

EAC leadership is committed to the responsible stewardship of federal taxpayer funds and providing support to states and territories in the administration of elections. However, growing needs in the election community continue, driven by increased interest in elections, intensified demand on election workers, and new and growing risks such as artificial intelligence. To ensure mission success, EAC must align its resources accordingly.

Budget

The process of executing the budget is central to EAC’s ability to deliver on its mandate. As shown in Figure 1 below, EAC’s appropriation for operations has trended upward in recent years, from a low of \$7.95 million in FY 2019 to over \$26 million in FYs 2023 and 2024.⁵

Figure 1. EAC Appropriation for Operations, FY 2015 – FY 2024 (Millions \$)



³ Help America Vote Act of 2002, Public Law 107–252 §§ 201.

⁴ Congressional Research Service, Federal Role in U.S. Campaigns and Elections: An Overview (September 2018).

⁵ Amounts exclude funds transferred to the National Institute of Standards and Technology for election reform activities, as well as funds appropriated for relocation in FY 2020.

With this increased funding, EAC has built and expanded programs, which includes extending election technology testing for electronic poll books and a newly established field services program that verifies EAC-certified systems in the field on an ongoing basis.

EAC's FY 2025 budget request was built with three strategic goals in mind:

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

Accompanying each goal is a series of objectives, designed to meet growing election needs. For example, one of the Commission's FY 2025 objectives is to expand its Cyber Access and Security Program, which would include implementing "a voting system vulnerability management and disclosure policy as well as an independent security research program for election technology."

EAC's challenge will be to ensure that its funding is strategically allocated among the FY 2025 objectives to maximize its benefit to the election community, especially if the Commission does not receive its requested appropriation.⁶ The challenge is increased when faced with continuing resolutions that leave EAC with less time to initiate new programs and obligate its single year funding.

Human Resources

The success of EAC's mission relies on the Commission's ability to align its human resources with mission needs. As a small agency, even minimal vacancies can be impactful. Thus, as we identified in previous Top Management Challenges reports, human capital management remains a challenge for EAC, driven by external limitations on pay and the residual effects of inconsistent human capital management.

Limitations on Pay. HAVA allows the Executive Director, General Counsel, and staff of the Commission to be appointed without adhering to competitive service restrictions, but they must not be paid more than the annual rate of basic pay for level V of the Executive Schedule,⁷ or \$180,000 for 2024.⁸

⁶ As of September 2024, both the Senate and House Appropriations Committees had approved amounts for EAC's salaries and expenses in FY 2025 that were below the requested \$38 million, by 47 and 21 percent respectively.

⁷ Help America Vote Act of 2002, Public Law 107-252 § 204.

⁸ U.S. Office of Personnel Management, Salary Table No. 2024-EX., [SALARY TABLE 2024-EX \(opm.gov\)](#).

In a competitive market for talent, HAVA’s pay limitation disadvantages EAC. While key vacancies that existed in prior years have been filled with qualified candidates, and attrition is reportedly down, HAVA’s salary cap continues to create challenges. In particular, according to EAC, attracting and retaining employees with federal government experience can be difficult, since candidates can apply for positions with other agencies that are able to offer more money. The General Counsel position, for example, has been vacant since February 2022, despite several advertisements for the position that reportedly yielded unqualified applicants. Also, while the position was ultimately filled with a someone who meets the necessary requirements, multiple offers for a supervisory contracting officer position were reportedly declined in early 2024 due to salary considerations. Difficulties hiring for these and similar positions factors into EAC’s challenges in other areas—such as improving internal controls.

EAC offers remote work and established a college tuition repayment program in FY 2024 to help to attract and retain staff in key positions.

Another potential threat to the stability of EAC’s operations is a lack of Commissioner quorum. EAC has four full-time Commissioners, who are presidentially appointed, and senate confirmed, and no more than two Commissioners may belong to the same political party. Certain actions, such as updates to the Voluntary Voting System Guidelines, require approval by a three-vote quorum of the four Commissioners. Vacancies in the Commissioner role have, in the past, created issues with EAC’s ability to take official action.

The current Commissioners remain dedicated to public service. However, maintaining a quorum of Commissioners is a potential challenge because restrictions on these positions limit their appeal. The Commissioners’ salaries are impacted by a freeze on pay rates for senior political appointees, which has not provided even a cost-of-living adjustment since originally taking effect in 2014.⁹ The freeze also does not allow for bonuses, discretionary awards, and similar types of pay. Moreover, HAVA specifically states that a Commissioner may not engage in any other business, vocation, or employment while serving as a member of the Commission and requires Commissioners to terminate or liquidate any pre-existing business, vocation, or employment before sitting as a member of the Commission.¹⁰

Strengthening Human Capital Management. At the same time, EAC needs to continue to strengthen its human capital management—the process of acquiring, training, managing, and retaining employees to effectively execute the agency’s mission. As noted by GAO, this is a longstanding challenge governmentwide.¹¹

In 2024, for example, OIG found that EAC had opportunities to improve its personnel practices to address issues such as the circumventing of established hiring policies and the inconsistent

⁹ Public Law 113-76.

¹⁰ Help America Vote Act of 2002, Public Law 107-252 § 203(d)(2).

¹¹ GAO, [High-Risk Series: Efforts Made to Achieve Progress Need to Be Maintained and Expanded to Fully Address All Areas](#) (GAO-23-106203, April 2023).

completion of performance appraisals and payout of bonuses.¹² Doing so would help to ensure that the best qualified candidates are hired, morale remains high, and the attrition rate remains manageable. In response, and with the hiring of a Human Resources Manager, EAC has made recent strides in this area, which we encourage them to continue. Remaining actions include the closure of an open recommendation from the FY 2023 financial statement audit management letter report associated with improvements needed in maintaining official personnel files.¹³

In line with its own goal of creating operational excellence throughout agency management and programming,¹⁴ we also urge EAC to complete comprehensive workforce planning and analysis that aligns with federal regulations.

EAC has made recent strides in its human capital management by:

- *Approving a revised organizational chart, which increases opportunity for career progression.*
- *Filling key vacancies, including the HR Manager position.*
- *Creating and filling a HR support specialist position.*
- *Transitioning toward use of a new HR service provider.*
- *Issuing new and revised policies, such as those governing performance management.*
- *Offering training to supervisors.*
- *Increasing communication with staff.*

2 | Coordinating to Meet Customer Needs

Priority Areas

- Collecting timely and relevant information from stakeholders in order to meet their needs.
- Collaborating effectively with federal partners.

HAVA mandates that EAC serve as a national clearinghouse and resource for the compilation of information with respect to the administration of federal elections. EAC has numerous stakeholders and partners, and for EAC to fulfill its role as a customer service agency supporting critical infrastructure, it must continue to navigate challenges related to partnerships and coordination efforts at the state and federal levels.

State Coordination

The Commission attempts to address the needs of election administrators across states and territories without interfering with the way each runs its elections. As a result, EAC provides *voluntary* standards, guidance documents, best practices, and toolkits to assist election

¹² EAC OIG Memorandum 24-01 "[Opportunities to Improve Personnel Practices](#)," January 2024.

¹³ EAC OIG, [Management Letter Report Related to the Audit of the U.S. Election Assistance Commission's Financial Statements for Fiscal Year 2023](#) (F23HQ0044-24-03, November 2023).

¹⁴ U.S. Election Assistance Commission "[Fiscal year 2025 Congressional Budget Justification](#)."

administrators in running elections. To do this effectively, EAC must understand these stakeholders' needs.

EAC has several mechanisms to obtain information from the states and territories, including:

- **Advisory boards.** HAVA mandates three federal advisory committees to help EAC complete its mission: the Standards Board, the Board of Advisors, and the Technical Guidelines Development Committee. In 2021, EAC also established the Local Leadership Council.
- **Professional organizations.** EAC coordinates with the National Association of State Election Directors (NASED) and the National Association of Secretaries of State (NASS).
- **The Election Administration and Voting Survey (EAVS).** The Commission conducts this survey, which also fulfills the HAVA mandate to collect and analyze such information, every 2 years.
- **Public meetings.** Periodically, as called for in HAVA, EAC hosts public meetings on specific topics (e.g., accessibility in the voting process) that include panel discussions with election officials, EAC staff, subject matter experts, and other key stakeholders.
- **One-on-one meetings.** EAC's Commissioners travel throughout the U.S. and its territories to share information and get feedback from election officials. Increasingly, EAC's subject matter experts also make such trips.

Each mechanism is effective to a different degree, both hampered and amplified by personalities, partisan concerns, federal regulations, and the unique circumstances of the represented jurisdictions. Combined, officials report that the feedback received from these efforts help EAC to circulate timely, nonpartisan materials that benefit the maximum number of stakeholders. However, as noted in EAC's FY 2025 Congressional Budget Justification, "[t]he election administration space continually moves at a fast pace as it is increasingly interconnected due to increased scrutiny from the media and national security efforts..."¹⁵ EAC's challenge is to keep pace with stakeholder needs, or manage stakeholder expectations, when available resources are limited.

Federal Coordination

While other federal agencies have roles in elections, EAC is responsible for the broad scope of improving election administration. To serve effectively and efficiently in this role, EAC needs to coordinate with those federal agencies working in the election space. Such coordination is important to deconflict similar initiatives, capitalize on each agency's core competencies, and avoid taxing state and local jurisdictions with requests.

To stay current on other agencies' elections work, EAC participates in the National Security Council and interagency council and task force meetings.

¹⁵ U.S. Election Assistance Commission "[Fiscal year 2025 Congressional Budget Justification.](#)"

However, as noted by GAO, interagency coordination is a longstanding challenge in the federal government, particularly when agencies are coordinating crosscutting missions.¹⁶ While EAC has made significant progress cultivating relationships with federal partners over the last year, EAC reports continued challenges coordinating with the National Institute of Standards and Technology (NIST). While NIST received \$1.25 million of EAC's FY 2024 appropriation to implement election reform activities, EAC officials report little visibility into the agency's efforts. EAC will be challenged over the next year to improve coordination with NIST, while maintaining the momentum built in other partnerships.

3 | Effective Management of Grants

Priority Areas

- Working closely with grantees to ensure the appropriate use of funds.
- Providing regular grant training and technical assistance to grantees.

Since FY 2003, EAC has awarded over \$4 billion in formula grants authorized by Congress under HAVA to the 50 states, the District of Columbia, and five U.S. territories to improve the administration of elections.¹⁷ Additionally, EAC has awarded more modest discretionary grants during this period, to include \$1 million in funding to accredited colleges and universities, nonprofit organizations, and local and state election offices to support the Help America Vote College Program in FY 2024.

Weekly meetings between the Office of Grants Management and the Office of General Counsel have led to more robust and consistent guidance for grantees.

For example, in July 2024, EAC updated its [website](#) to include guidance for grantees to help ensure that HAVA funding is used to supplement rather than supplant existing programming.

EAC's Office of Grants Management is responsible for awarding, distributing, and monitoring these grant funds. Historically, this office has been challenged by low staff numbers and turnover, but with a current staff of five and a more stable outlook for FY 2025, the office can work more closely with grantees to ensure the appropriate use of funds and provide regular grant training and technical assistance to grantees. For example, in August 2024, a grant specialist traveled to American Samoa to provide technical assistance to its Territorial Election Office.

¹⁶ GAO, [Managing for Results: Barriers to Interagency Coordination](#) (GAO/GGD-00-106, March 2000).

¹⁷ EAC, [2023 Grant Expenditure Report](#) (June 28, 2024).

Such activities are important to ensure the effective use of HAVA grants for several reasons:

- Most HAVA grant funds are distributed based on predetermined formulas and eligibility requirements, meaning that grantees do not have to demonstrate their ability to meet performance standards and comply with applicable requirements before receiving their funds.
- HAVA grants have specific requirements that differ from other types of grants. For example, some funds must be put in a separate interest-bearing account.
- The majority of HAVA grant funds remain available until expended. With frequent turnover in election offices, the grants often outlast the employees administering them.

These difficulties are reflected in recent OIG audit reports. In FY 2024, OIG issued 10 audit reports related to grant administration. The audits generally found that grantees accounted for HAVA funds in accordance with applicable requirements, accounted for and controlled property purchased, and used funds in a manner consistent with the informational plans they had submitted. However, the reports contained a combined 48 recommendations to improve grant administration.¹⁸

EAC has worked with grantees to close all the grant-related recommendations made by OIG in FY 2023 and is currently working with grantees to close the FY 2024 recommendations.

4 | Strengthening Internal Controls

Priority Areas

- Assessing risk.
- Developing policies and implementing procedures.
- Improving recordkeeping.

The Commission is a small, independent agency that has had historically uncertain funding. In fact, less than a decade ago, EAC had fewer than 20 employees. During this period, long-tenured officials report, EAC chose to direct its resources toward the implementation of strategic programs rather than compliance and operations. As a result, EAC has been challenged to sustain an effective system of internal controls—a matter exacerbated by frequent turnover in senior leadership positions.

This has been evident in recent OIG work. For example, an audit conducted by OIG in FY 2024 found that EAC's internal procurements did not comply with selected requirements of the Federal Acquisition Regulation, and that EAC did not post procurement information to

¹⁸ Recently issued reports related to the administration of grants can be found at <https://oig.eac.gov/reports/grant-audit>.

USASpending.gov, as required by the DATA Act.¹⁹ Likewise, a memorandum issued by OIG in January 2024 identified inconsistent personnel practices.²⁰ And, OIG’s September 2024 report on EAC’s compliance with Federal Information Security Modernization Act (FISMA), made seven new recommendations to improve EAC’s security posture, while three recommendations from prior years remained open.²¹

Aided by consistent funding, a stable cadre of Commissioners, and new leadership in senior roles, EAC has made internal control improvements within the last year. However, strengthening internal controls will remain a continued challenge for the Commission in FY 2025.

As of September 30, 2024, EAC has 23 open audit recommendations related to internal controls in its financial reporting, procurement, and information security processes, as well as its testing and certification program.²² The recommendations call for the assessment of risk (e.g., “Identify, measure, and assess risks related to its testing and certification program, ideally as part of a broader risk management program.”), the development of policy (e.g., “Update the EAC Procurement Handbook to reflect current requirements in the Federal Acquisition Regulation.”), the implementation of processes and procedures (e.g., “Implement an acquisition planning process for the Commission.”), and improvements in recordkeeping (e.g., “Perform periodic reviews of records to ensure that all relevant documentation is appropriately stored and accessible.”).



EAC reports:

. . . the teams responsible for administrative functions have been restructured to improve transparency and accountability.

. . . an assessment of shared services is taking place to optimize their utility.

. . . there have been improvements in the records management program following the hiring of a records specialist in September 2023.

. . . a contracting officer onboarded in August 2024 to help improve procurement processes.

¹⁹ EAC OIG, [Audit of the U.S. Election Assistance Commission’s Internal Procurements](#) (P23HQ0025-24-05, January 2024).

²⁰ EAC OIG, 24-01.

²¹ EAC OIG, [Audit of the U.S. Election Assistance Commission’s Compliance with the Federal Information Security Modernization Act for Fiscal Year 2024](#) (P24HQ0052-24-15, September 2024).

²² A list of open recommendations can be found at <https://oig.eac.gov/open-recommendations>.



Visit our website at oig.eac.gov.

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

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

Agency Response to the Inspector General's Management Challenges Report



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

DATE: November 15, 2024
TO: Sarah Dreyer, U.S. EAC Acting Inspector General
FROM: Brianna Schletz, U.S. EAC Executive Director *Brianna Schletz*
RE: Response to Inspector General's Statement Summarizing the Major Management and Performance Challenges Facing the U.S. Election Assistance Commission for Fiscal Year 2025

The Election Assistance Commission (EAC) appreciates the top management challenges presented by the EAC Inspector General. The statement highlights areas that most impact the Commission's ability to help election officials improve the administration of elections and help Americans participate in the voting process. The EAC has demonstrated significant progress addressing these areas and is dedicated to continuous improvement.

Resources: As noted in the Inspector General's assessment, the growing needs in the election community continue to be driven by increased interest in elections, intensified demand on election workers, and new and evolving risks in areas such as [artificial intelligence](#). The EAC continues to assist as a federal partner in election administration and is committed to the responsible stewardship of federal taxpayer funds and providing support to states and territories in the administration of elections.

EAC has taken steps to ensure mission success by aligning its resources to strategically address goals and objectives, and to maximize the benefit to election workers and American voters. This includes strengthening internal operations at the EAC, as well as the closure of 72 audit recommendations in FY 2024. Further, the EAC has worked diligently to leverage the input from stakeholders to ensure the agency provides the most impact. EAC has responsibly utilized [pilot programs](#) to test the viability and impact of a program before fully expanding it. This has been very effective when operating with limited funding.

Regarding the appropriations process, the EAC has diligently worked to align resources with mandates while simultaneously assessing expectations and risk—this includes requesting multi-year funds to reduce risk. The EAC believes that lifting the pay cap restrictions would allow the agency to recruit and retain highly skilled employees, specifically cybersecurity experts and other election specialists. The EAC agrees that retention of employees and EAC Commissioners is especially critical in maintaining institutional knowledge and organizational success.

Customer Service: The EAC has successfully improved coordination efforts with the Commission's numerous stakeholders and federal partners to fulfill its role as a customer service agency supporting critical infrastructure. At the most recent EAC Advisory Board meetings, the agency received praise for providing excellent training and resources, as well as being responsive and effective partners to election officials across the nation. The EAC will continue to navigate



the challenge of keeping pace with stakeholder needs, as well as managing stakeholder expectations, even when available resources are limited.

The statement notes the broad scope of responsibilities the EAC has regarding the improvement of election administration and general challenges with federal coordination in the government. In addition to participating in the National Security Council and interagency task force meetings, the EAC has published documents with other federal agencies and hosted a federal partners hearing. Joint work product includes: [Enhancing Election Security Through Public Communications](#), [2024 U.S Federal Elections: The Insider Threat](#), [Election Mail Handling Procedures to Protect Against Hazardous Materials](#), and a [Federal Partners public hearing](#). While EAC has made significant progress in coordinating with federal agencies, the EAC will work diligently over the next year to improve coordination with the National Institute for Standards and Technology (NIST), and maintain the momentum built in other federal partnerships.

Grants Management: The EAC agrees that consistent staffing levels within the Office of Grants Management allows the agency to work more closely with grantees to ensure the appropriate use of funds. Appropriate resources also allow EAC to provide regular grant training and technical assistance to grantees. The statement acknowledges that HAVA grants contain specific requirements that differ from other types of grants, such as requiring funds to be held in separate interest-bearing accounts, and that recent updates to the EAC website provide [guidance](#) for grantees to ensure funding is used appropriately.

As the Inspector General states, the EAC has worked with grantees to close all grant-related recommendations made by OIG in FY 2023 and is currently working with grantees to close the FY 2024 recommendations. The EAC will continue providing regular grant training and technical assistance to grantees as it did in 2024 when the agency deployed grant specialists alongside OIG staff to American Samoa and South Dakota to provide technical assistance to the election office in support of safeguarding federal funds. The EAC notes that an exemption to the Paperwork Reduction Act (PRA) would enable the agency to better understand and rapidly respond to the pressing needs of our stakeholders and provide increased oversight of grant funds.

Internal Controls: As the statement describes, the EAC is a small, independent agency that has had historically uncertain funding. The EAC is grateful to the Inspector General for understanding the way in which recent consistent appropriations, a stable cadre of Commissioners, and new leadership in senior roles have all aided the Commission in making internal improvements over the past year.

The EAC has made material progress to improve internal controls at the agency. In addition to restructuring the organization to improve transparency and accountability, EAC has established a functioning records management program following the hiring of a records specialist in 2023, as well as a contracting officer onboarded in 2024 who has helped to improve procurement processes. The EAC has updated policies and will continue to diligently address open audit recommendations related to internal controls. The Commission appreciates the oversight and input on EAC operations and looks forward to making continued progress toward addressing the noted challenges.



Summary of Financial Statement Audit and Management Assurances

Summary of Fiscal Year 2024 Financial Statement Audit					
Audit Opinion	Unmodified				
Restatement	No				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Financial Accounting & Reporting	0				0
Total Material Weaknesses	0				0

Summary of Management Assurances					
Effectiveness of Internal Control Over Financial Reporting (FMFIA § 2)					
Statement of Assurance	Unmodified				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
None	0				0
Total	0				0
Effectiveness of Internal Control Over Operations (FMFIA § 2)					
Statement of Assurance	Unmodified				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
None	0				0
Total	0				0
Conformance with Federal Financial Management Systems Requirements (FMFIA § 4)					
Statement of Assurance	Unmodified				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
None	0				0
Total	0				0
Compliance with Section 803(a) of the Federal Financial Management Improvement Act (FFMIA)					
	Agency	Auditor			
Federal Financial Management System Requirements	No lack of compliance noted	No lack of compliance noted			
Applicable Federal Accounting Standards	No lack of compliance noted	No lack of compliance noted			
USSGL at Transaction Level	No lack of compliance noted	No lack of compliance noted			

Grants Program

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



Payment Integrity Information Act of 2019

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

Additionally, the agency is on a three-year risk assessment cycle and was found to be fully compliant and overall low risk in its third-party risk assessment for FY 2023. During its payment recapture audit, the Department of Treasury, Bureau of the Fiscal Service found no instances of improper payments within the agency for FY 2024.

Fraud Reduction Act

Pursuant to the Fraud Reduction and Data Analytics Act of 2015 (Public Law 114-186, 32 U.S. Code 3321 note), EAC is reporting on its fraud reduction efforts since the final quarter of FY 2024 in three key areas:

I. Implementation of financial and administrative controls

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

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

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

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

The Green Book identifies three types of fraud:

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

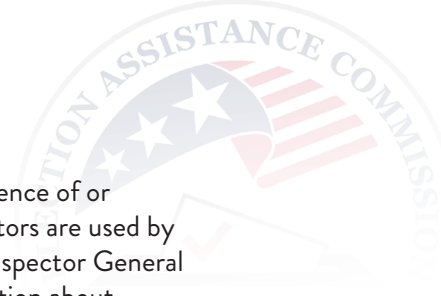


Another fraud risk is misconduct (e.g., waste or abuse of government resources).

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

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

- **Fraudulent financial reporting risk:** financial reporting is provided by one of the four OMB-authorized financial service providers. All financial reporting, including financial statements and necessary journal entries, is reviewed and approved by the EAC Finance prior to publication. Further, the EAC has undergone a financial statement audit by an independent financial auditor each year since FY 2008. The contract required that the audit be performed in accordance with U.S. generally accepted government auditing standards issued by the GAO, OMB audit guidance, and the GAO/CIGIE *Financial Audit Manual*. The auditors' working papers are reviewed by the agency's Inspector General.
- **Misappropriation of assets:** assets are recorded in the general ledger, inventoried and tagged by two offices within the EAC, and schedules of depreciation of the assets are maintained by the financial services provider. The EAC's building and its assets are secured by the Federal Protective Service via interagency agreement. Property removed from the building requires the presentation of a signed property pass to a guard.
- **Bribery:** implemented financial and procurement controls conducted by separate managerial reporting chains help ensure segregation of duties of processes. Use of contracting officers located at another agency, technical evaluation committees to review award solicitations, funds for procurements are certified by the Finance, and documentation review and approval and review are also conducted. EAC staff is made aware in mandatory training and staff are made aware that taking gifts valued over \$20 is prohibited.
- **Illegal acts:** staff are encouraged to report perceived illegal acts to the General Counsel as Ethics Officer, supervisors, and the Inspector General. The EAC's Human Resource Handbook provides thorough descriptions of standards of conduct, fitness for duties based on character and conduct, disciplinary and adverse actions for misconduct, and ethics.
- **Waste of government resources and abuse of authority or position:** the IG maintains a fraud, waste, abuse hotline. Staff and the public can call the hotline anonymously to report perceived cases of fraud, waste, or abuse. Further, staff are provided with Whistleblower training, so they know how to protect themselves from repercussions related to reporting wrongdoing. Other EAC mandatory training includes Privacy Act and IT security training. Standards of conduct are laid out in the EAC's Office of Human Resources Handbook, available on the agency's shared drive, and reviewed at New Employee Orientation. The manual specifies that the agency's General Counsel serves as the Designated Agency Ethics Officer, who should be consulted on specific issues of concern.



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

The risk of opportunity is greatly reduced with financial staff at the EAC separate from the accounting and procurement service provider. Independent auditors' recommendations are taken seriously and implemented timely, at times in conjunction with the service providers' controls. The EAC does not have identified material weaknesses in internal controls over operations in FY 2024. Any management override of controls would necessarily involve staff at two federal agencies since the EAC does not have "write" access to the core financial system.

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

III. OMB Circular A-123 and leading practices for managing fraud risk

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

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

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

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



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

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

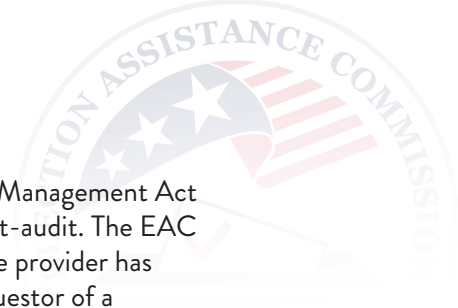
Further, CORs and the EAC Finance provide quarterly accruals and de-obligations to the financial service provider on all open obligations. The Finance is required to certify that the open obligations are valid. The certification is reviewed by the financial statement auditors each year.

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

Strategies, Procedures and Other Steps

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

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



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

