



INSTITUTE *of*
Museum and Library
SERVICES

Performance and Accountability Report

Fiscal Year 2014

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Performance and Accountability Report – Fiscal Year 2014

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Message from the Director of the Institute of Museum and Library Services, Susan H. Hildreth

It is a great pleasure to present the FY 2014 Performance and Accountability Report for the Institute of Museum and Library Services. The goals of our strategic plan focus our activities on achieving positive public outcomes for communities and individuals; supporting museums and libraries in preserving and providing broad public access to collections and content; and promoting policies that ensure robust library, museum, and information services for all Americans.

With infrastructure in nearly every community in the nation, active online networks, and dedicated staff, museums and libraries connect people to one another and to the full spectrum of knowledge.

- 169 million people in the United States over the age of 14 (69 percent of that population) are library users.
- 148 million people in the United States over the age of 18 are museum users.

This has been an outstanding year for IMLS. We focused national attention on the role of libraries and museums in American society. With our focus on STEM and early learning we have demonstrated the power of informal learning. We helped libraries and museums reach underserved and at-risk populations in new and exciting ways.

We worked with states to develop new reporting protocols that will allow IMLS and the states to monitor, evaluate and share best practices in library administration and programming.

We took a giant step in our capacity to provide data about museums in the United States and produced new research about the impacts of library and museum service.

We are a highly sought-after federal partner with new and ongoing relationships with ten federal agencies.

IMLS is an outstanding steward of federal funds. We have used our authority to enter into grants, cooperative agreements, and contracts; collect data; convene stakeholders; and pursue policy and research in ways that make a significant impact on library and museum services in the United States

Respectfully submitted,

Susan H. Hildreth
Director

1. Management's Discussion and Analysis (MD&A)

A. IMLS Overview

IMLS's strategic plan, published in January 2012, closely aligns with the Museum and Library Services Act, as revised in December 2010.

The law recognizes the importance of enlisting libraries and museums in achieving policy outcomes in education, cultural preservation, early learning, and workforce development. It also recognizes the federal role in this effort and charges IMLS with advising the President and Congress on library, museum, and information services; conducting policy research, analysis, and data collection to analyze national needs for and trends in library, museum, and information services; and supporting a wide range of programming that impacts the lives of millions of Americans.

The complete IMLS Strategic Plan is available at www.ims.gov/plan.

To increase accountability and ensure continued focus and progress, we have established cross-agency teams to assess and streamline administrative and programmatic investments and to develop work plans to implement the strategic plan.

B. Vision

IMLS has a vision of a democratic society where communities and individuals thrive with broad public access to knowledge, heritage, and lifelong learning.

C. Mission

The mission of IMLS is to inspire libraries and museums to advance innovation, learning, and civic engagement. We provide leadership through research, policy development, and grant making.

D. Strategic Goals

Strategic Goal 1: IMLS places the learner at the center and supports engaging experiences in libraries and museums that prepare people to be full participants in their local communities and our global society.

Strategic Goal 2: IMLS promotes museums and libraries as strong community anchors that enhance civic engagement, cultural opportunities, and economic vitality.

Strategic Goal 3: IMLS supports exemplary stewardship of museum and library collections and promotes the use of technology to discover knowledge and cultural heritage.

Strategic Goal 4: IMLS advises the President and Congress on plans, policies, and activities that sustain and increase public access to information and ideas.

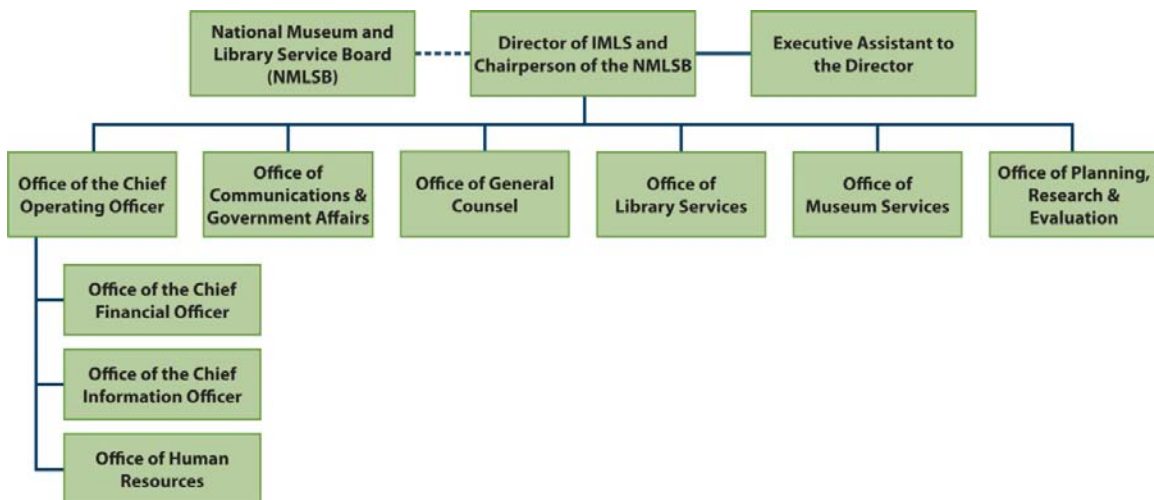
Strategic Goal 5: IMLS achieves excellence in public management and performs as a model organization through strategic alignment of IMLS resources and prioritization of programmatic activities, maximizing value for the American public.

E. Organizational Structure

IMLS, an independent federal agency established in 1996, brings together federal library programs established in 1956 and federal museum programs established in 1976. The agency supports library and museum services in the United States by:

- administering grant programs including population-based state formula grants for libraries, peer-reviewed competitive discretionary grants, cooperative agreements, and partnerships that support both libraries and museums;
- conducting policy research, analysis, and data collection that extend and improve the nation’s museum, library, and information services; and
- developing interagency collaborations that use our museum and libraries to achieve national policy.

IMLS is led by a director who is a presidential appointee confirmed by the Senate and advised by the National Museum and Library Services Board (NMLSB). The NMLSB is a twenty-three-member advisory body that includes the IMLS director, the deputy director for libraries, the deputy director for museums, and twenty presidentially appointed individuals with expertise in, or commitment to, library or museum services. Based on its knowledge and experience, the NMLSB advises the IMLS director on general policy and practices and helps with the selections for the National Medals for Museum and Library Service.



F. IMLS Model for Evidence-Based Program Design

Step 1: Build Evidence

Over the past four years, IMLS has improved its capacity to monitor grant program investments and measure impact. The agency has reconfigured its policy and operational leadership structure, reorganized work units, and altered staffing allocations to concentrate greater resources on technical assistance, strategic partnerships, evaluation of program impacts, and the communication of best practices.

The agency's five-year strategic plan provides lessons learned from grant making, national initiatives, and policy research to inform future investments, share best practices, and build organizational capacity across the library and museum sectors. Staff from each of the agency's program and operational units work on the plan's implementation.

Step 2: Act on Evidence

IMLS program staff possesses significant experience in museum and library services and the research and evaluation of informal learning organizations. IMLS regularly reviews its grant and project portfolios to increase administrative efficiency, monitor program performance, and develop more targeted grant guidelines. At the earliest stage of the grant process, library, museum, and education sector professionals perform a two-tiered peer review of applications to assure that project proposals follow best practices. All grantees report on their projects annually and on project outcomes at the conclusion of the grant period. In addition, third-party evaluations of IMLS grant programs are conducted on a rolling basis to measure program impact and review administrative functions and efficiency, and program costs. Finally, IMLS is redesigning its grant reporting systems to place emphasis on better outcome reporting.

Agency staff has worked closely with State Library Administrative Agencies to build and pilot a new program reporting system to collect consistent outcome measures across all projects for all states. IMLS is funding innovations in practice through small challenge grants to museums and libraries. For example, the Sparks! Ignition Grants program provides \$10,000 to \$25,000 for libraries, museums, and archives to test and evaluate service innovations.

In areas where effective practice is known, IMLS is encouraging applicants to align program efforts with these practices.

Step 3: Evaluate Effectiveness

IMLS worked to improve evaluation capacity of the field through guidance materials and technical assistance to individual grantees on a project-by-project basis. While many grantees found the technical assistance valuable, the strategy was not effective at documenting lessons learned.

The agency will now emphasize program-level performance assessment and is monitoring efficiency and performance in its museum and library service grant programs. In addition to

funding third-party program evaluations, IMLS is working with its stakeholders to develop more detailed program plans and assessment protocols.

Step 4: Support Knowledge Diffusion

Improving evaluation practices without communicating results does little to improve museum and library services. Thus, IMLS requires all grantees to share findings through publicly accessible publications, conference presentations, journal articles, or association websites. In addition, the agency is developing a new suite of performance reports that will collect standardized data on project practices and outcomes, enabling IMLS to make comparisons across grant programs. IMLS also requires that all research grantees include data access plans.

Step 5: Revise Agency Programs and Services to Incorporate Best Practice

IMLS's strategic plan builds on the agency's resources to achieve positive public outcomes for communities and individuals; support the role of museums and libraries in preserving and providing access to collections and content; and promote library, museum, and information service policies that ensure access to information for all Americans. IMLS developed the five-year plan with significant public input via stakeholder meetings and online engagement using social media tools.

Since the plan's adoption, IMLS has revised its project and program activities to align with the plan's strategic goals.

G. Scope of Responsibilities

This section provides highlights of the Museum and Library Services Act and the African American History and Culture Act, key IMLS programs and activities, and the distribution of funds.

Library Services

All the programs support the following goals, as stated in the updated IMLS statute (20 U.S.C. §9121):

1. to enhance coordination among Federal programs that relate to library and information services;
2. to promote continuous improvement in library services in all types of libraries in order to better serve the people of the United States;
3. to facilitate access to resources in all types of libraries for the purpose of cultivating an educated and informed citizenry;
4. to encourage resource sharing among all types of libraries for the purpose of achieving economical and efficient delivery of library services to the public;
5. to promote literacy, education, and lifelong learning and to enhance and expand the services and resources provided by libraries, including those services and resources relating to workforce development, 21st century skills, and digital literacy skills;

6. to enhance the skills of the current library workforce and to recruit future professionals to the field of library and information services;
7. to ensure the preservation of knowledge and library collections in all formats and to enable libraries to serve their communities during disasters;
8. to enhance the role of libraries within the information infrastructure of the United States in order to support research, education, and innovation; and
9. to promote library services that provide users with access to information through national, State, local, regional, and international collaborations and networks.

Grants to States

Process

The IMLS Library Grants to States program awards population-based formula grants to each State Library Administrative Agency (SLAA) in the 50 states, the District of Columbia, Puerto Rico, the Virgin Islands, American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands. The formula consists of a minimum amount set by law plus a supplemental amount based on population (dependent on annual appropriations). Population data are based on the information available from the U.S. Census Bureau website. The 2010 Act sets base allotments of \$680,000 for states and \$60,000 for Pacific Territories. The Act limits administrative costs at the state level to four percent and requires a 34 percent match from non-federal state or local funds. Programs and services delivered by each SLAA support the purposes and priorities set forth in the Library Services and Technology Act (LSTA). SLAAs set goals and objectives for their states regarding the use of Grants to States funds within the statutorily required five-year plan approved by IMLS. These goals and objectives are determined through a planning process that includes statewide needs assessments.

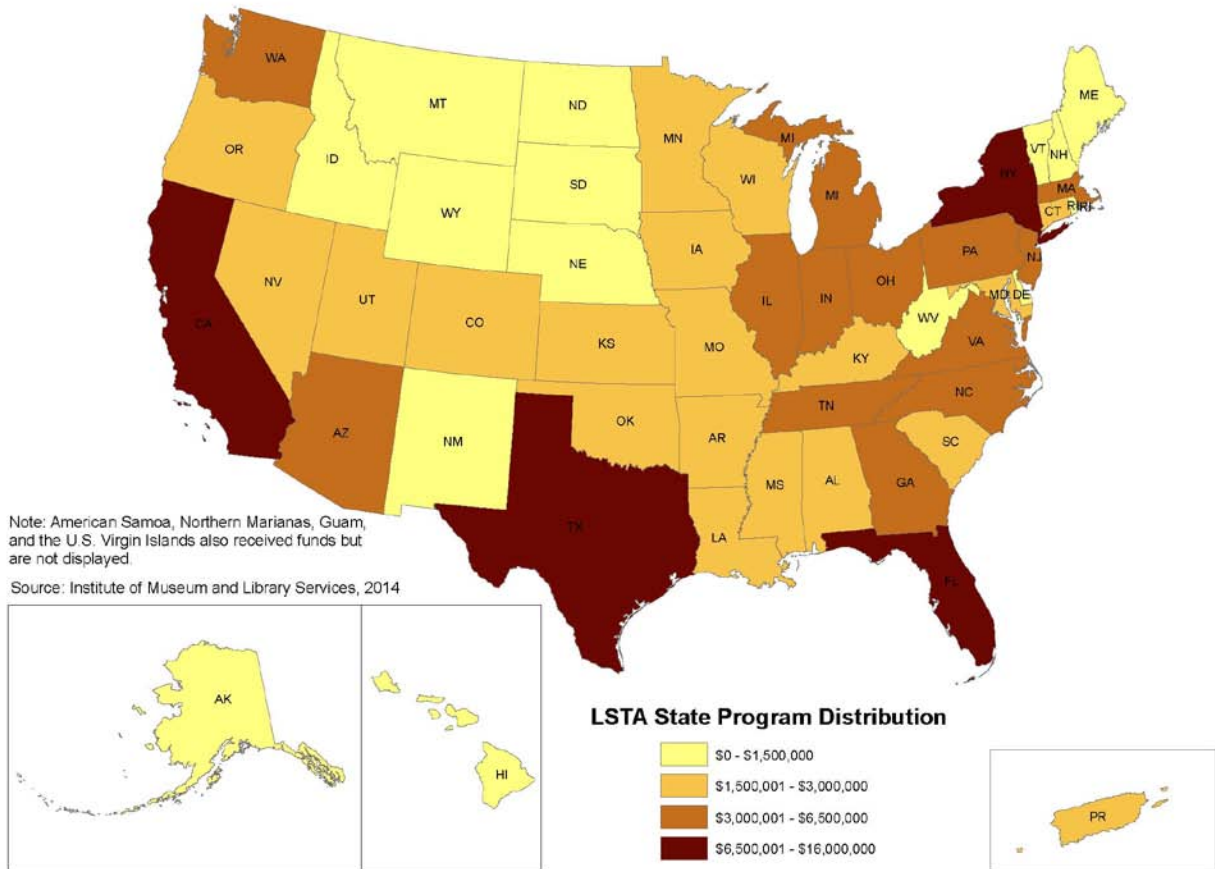
Use of Funds

SLAAs may use their funding for:

1. expanding services for individuals of all ages to support such individuals' needs for education, lifelong learning, workforce development, and digital literacy skills;
2. establishing or enhancing electronic and other linkages and improved coordination among and between libraries and entities;
3. providing training and professional development to enhance the skills of the current library workforce and leadership, and to advance the delivery of library and information services; and recruiting future professionals to the field;
4. developing public and private partnerships with other agencies and community-based organizations;
5. targeting library services to individuals of diverse geographic, cultural, and socioeconomic backgrounds, to individuals with disabilities, and to individuals with limited functional literacy or information skills;

6. targeting library and information services to persons having difficulty using a library and to underserved urban and rural communities, including children from low-income families;
7. developing library services that provide access to information through local, state, regional, national, and international collaborations and networks; and
8. carrying out other activities as described in the State Library Administrative Agency's plan.

Grant to States Distribution, FY 2014



Note: This chart is based on FY 2014 information for the Grants to States program. Total funds were \$154,848,000.

Support for Pacific Territories and Freely Associated States

Grants to the Pacific Territories and the Freely Associated States (FAS) are authorized under a Special Rule, 20 U.S.C. § 9131(b)(3), which authorizes a small competitive grants program in the Pacific region and the U.S. Virgin Islands. There are seven eligible entities: Guam (GU), American Samoa (AS), the Commonwealth of the Northern Mariana Islands (CNMI), the Federated States of Micronesia (FSM), the Republic of the Marshall Islands (RMI), the Republic

of Palau (PU), and the U.S. Virgin Islands (VI). The funds for this grant program are taken from the allotment amounts for the FAS (FSM, RMI, and PU). The territories (GU, AS, CNMI, VI) receive allotments through the Grants to States program and, in addition, may apply for funds under the competitive program. Five percent of this program's funding is set aside for Pacific Resources for Education and Learning (PREL), based in Hawaii, to facilitate the grants review process. These projects support the LSTA purposes.

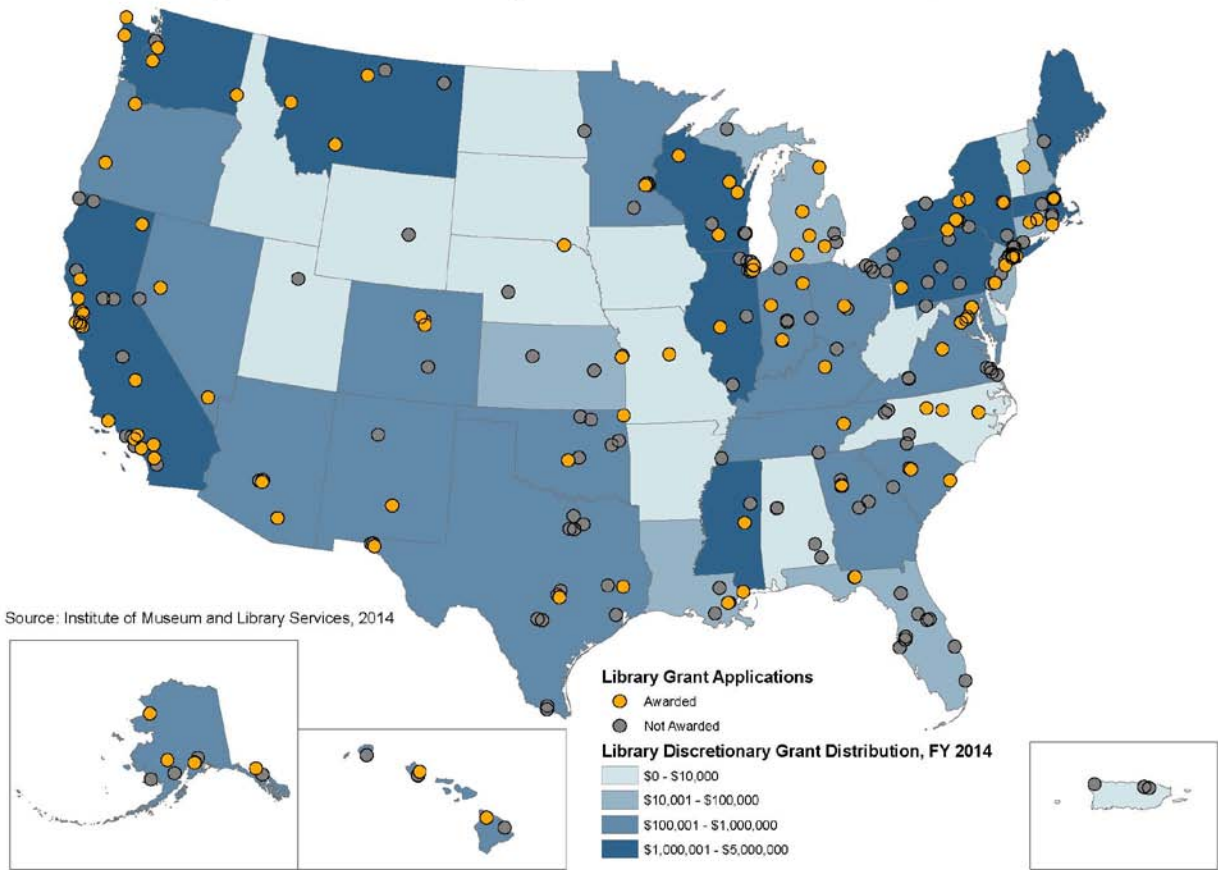
Discretionary Grants

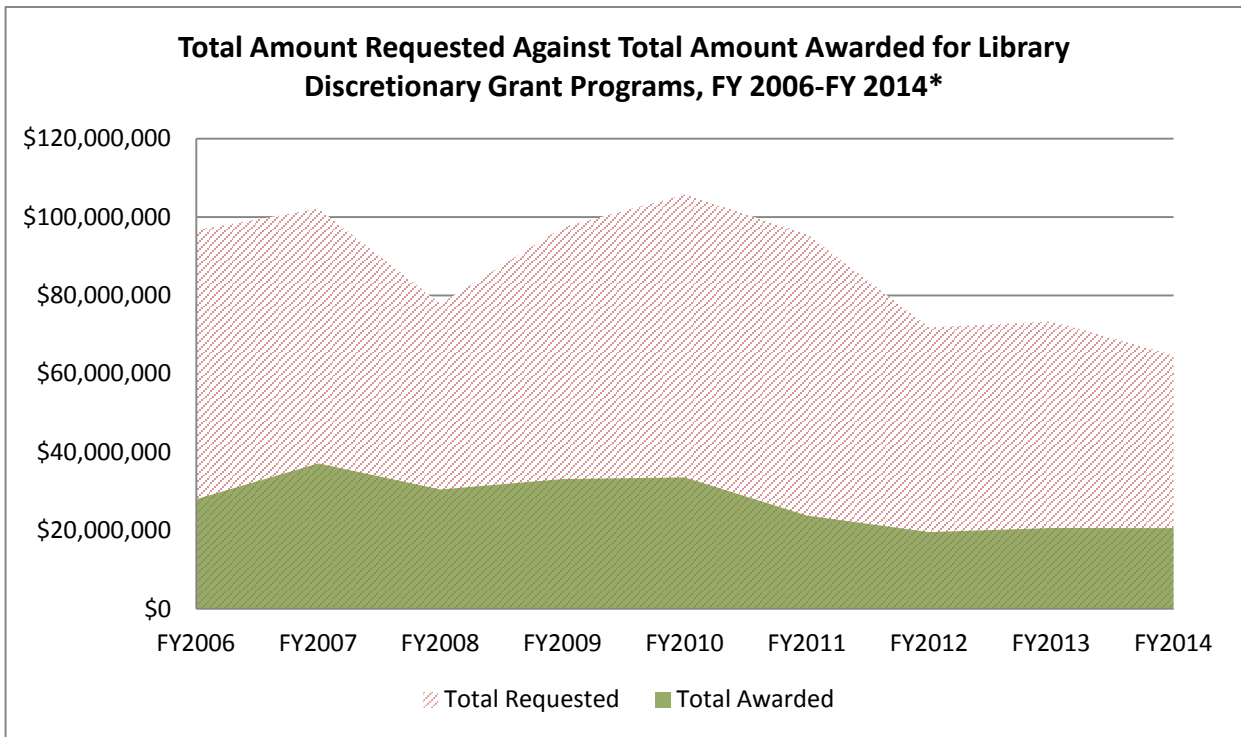
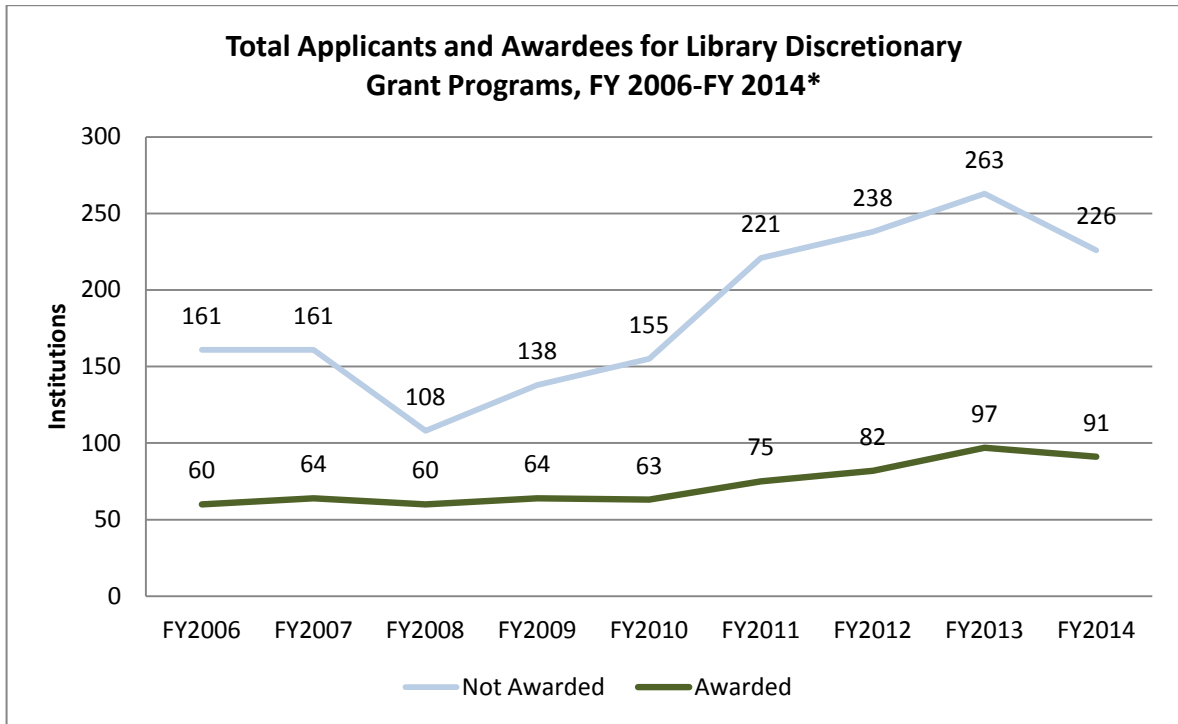
The Library Services Discretionary Grants Programs are established in 20 U.S.C. Sections 9161, 9162, and 9165. They are: National Leadership Grants, Native American Library Services Basic Grants, Native American Library Services Enhancement Grants, Native Hawaiian Library Services, and Laura Bush 21st Century Librarian Program.

National Leadership Grants support activities, such as:

1. building workforce and institutional capacity for managing the national information infrastructure and serving the information and education needs of the public;
2. research and demonstration projects related to the improvement of libraries or library and information services through effective use of new technologies, including projects that enable library users to acquire digital literacy skills and that make information resources more accessible and available; and dissemination of information derived from such projects;
3. preserving or digitizing library materials and resources, giving priority to projects emphasizing coordination, avoidance of duplication, and access by researchers beyond the institution or library entity undertaking the project, including the development of national, regional, statewide, or local emergency plans that would ensure the preservation of knowledge and library collections in the event of a disaster; and
4. model programs demonstrating cooperative efforts between libraries and museums.

Library Discretionary Grant Distribution, FY 2014





* This analysis excludes all non-competitive Native American Library Programs.

The Native American Library Services Basic Grant funds are distributed equally among eligible applicants and may support existing library operations and maintain core library services. The Native American Library Services Enhancement Grant program is competitive and can be used for existing library services or to implement new services. Native Hawaiian Library Services grant projects are competitive and may be used for existing library services or to implement new library services. These programs support the same types of activities as the Grants to States program.

The Laura Bush 21st Century Librarian Program is also a competitive grant program. The statutory purposes of the program are:

1. recruiting and educating the next generation of librarians;
2. developing faculty and library leaders, including by increasing the institutional capacity of graduate schools of library and information science; and
3. enhancing the training and professional development of librarians and the library workforce.

IMLS Grants to Libraries in 2014

Grants to States

	Number of awards	Funds awarded	Applicant match
Grants to States	56	\$154,593,700	\$79,443,445
Competitive Grants for Pacific Territories, Freely Associated States and the Virgin Islands	5	\$241,500	\$56,402*

*Only includes match from the Freely Associated States; no match is required from the Territories.

Total for all Discretionary Programs

Number of applications	Number of awards	Funds requested	Funds awarded	Applicant match
582	345	\$50,837,120	\$26,422,787	13,719,499

By Program

Laura Bush 21st Century Librarian Program

Number of applications	Number of awards	Funds requested	Funds awarded	Applicant match
98	38	\$26,734,151	\$10,117,529	\$4,291,455

National Leadership Grants for Libraries

Number of applications	Number of awards	Funds requested	Funds awarded	Applicant match
167	54	\$15,991,804	\$12,000,000	\$8,281,038

*Sparks! Ignition Grants for Libraries**

Number of applications	Number of awards	Funds requested	Funds awarded	Applicant match
68	17	\$1,494,013	\$390,702	\$197,303

*Native American/Native Hawaiian Library Services Program**

	Number of applications	Number of awards	Funds requested	Funds awarded	Applicant Match
Basic Grants (non-competitive)	219	219	\$1,652,000	\$1,652,000	N/A
Enhancement Grants	25	14	\$3,747,768	\$1,710,987	\$836,425
Native Hawaiian	5	3	\$1,217,384	\$551,569	\$113,278
Total	249	236	\$6,617,152	\$3,914,556	\$949,703

*Matching funds are not required for these programs.

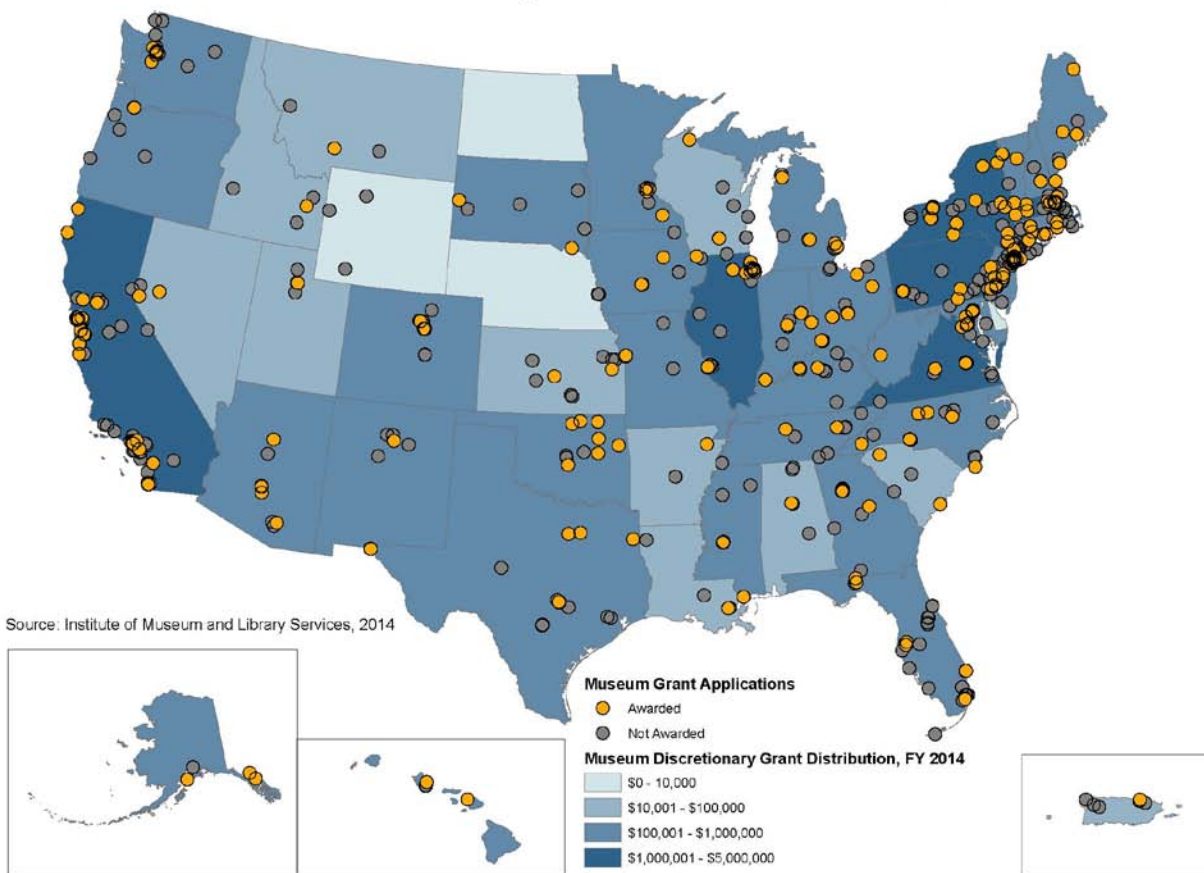
Museum Services

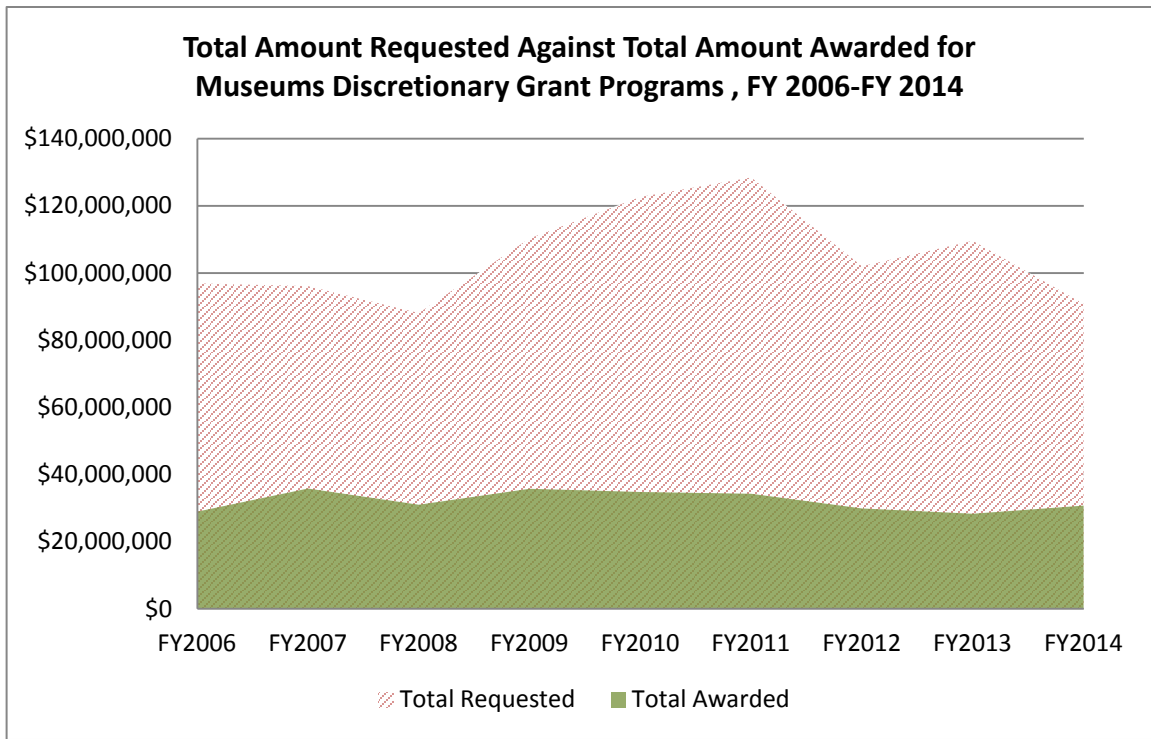
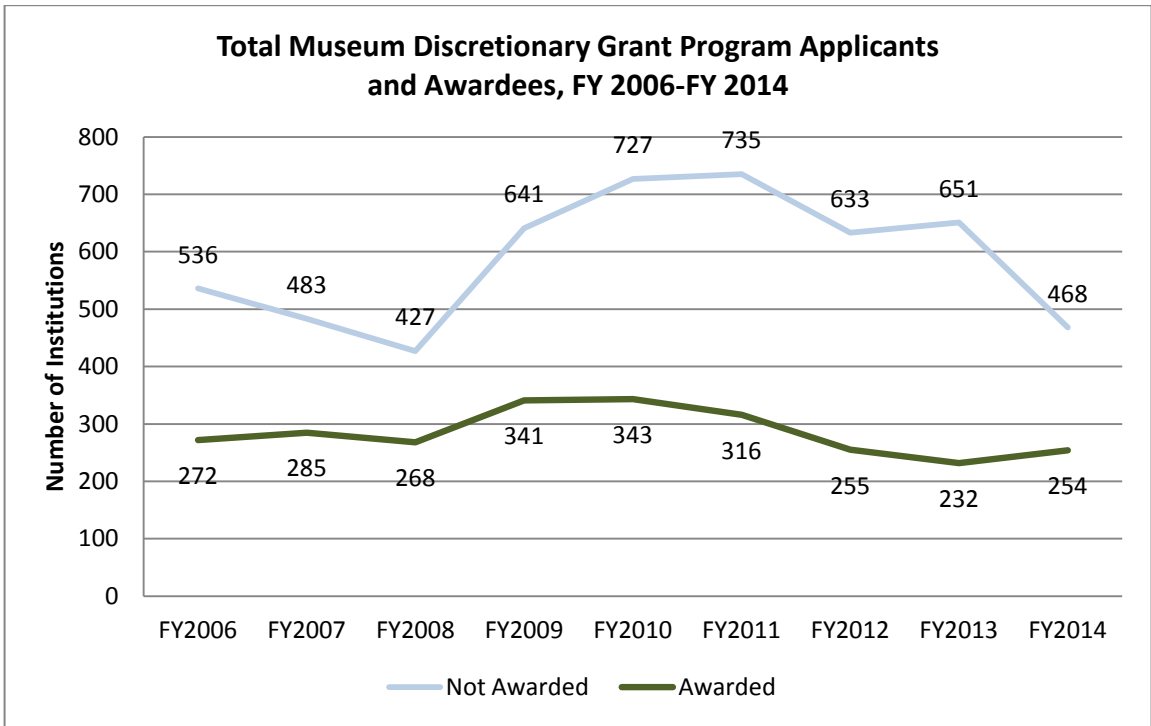
The Museum and Library Services Act authorizes the IMLS Office of Museum Services to

1. encourage and support museums in carrying out their public service role of connecting society to the cultural, artistic, historical, natural, and scientific understandings that constitute our heritage;
2. encourage and support museums in carrying out their educational role;

3. encourage leadership, innovation, and applications of the most current technologies and practices to enhance museum services through international, national, regional, State, and local networks and partnerships;
4. assist, encourage, and support museums in achieving the highest standards in conservation and care of the cultural, historic, natural, and scientific heritage of the United States;
5. assist, encourage, and support museums in achieving the highest standards of management and service to the public, and to ease the financial burden borne by museums as a result of their increasing use by the public;
6. support resource sharing and partnerships among museums, libraries, schools, and other community organizations;
7. encourage and support museums as a part of economic development and revitalization in communities;
8. ensure museums of various types and sizes in diverse geographic regions of the United States are afforded attention and support; and
9. support efforts at the State level to maximize museum resources and services.

Museum Discretionary Grant Distribution, FY 2014





Discretionary Grants

The Office of Museum Services offers a number of discretionary grant programs.

The Museums for America program supports projects that strengthen the ability of an individual museum to serve its visitors. These grants support activities that strengthen museums as active resources for lifelong learning, as institutions important to the establishment of livable communities, and as good stewards of the nation's collections.

National Leadership Grants for Museums support projects that address critical needs of the museum field and that have the potential to advance practices in the profession so that museums can improve services to the American public.

Sparks! Ignition Grants for Museums encourage institutions to prototype and evaluate specific innovations in the ways they operate and in the services they provide.

The Native American/Native Hawaiian Museum Services program supports the capacity of Native American tribes and organizations that primarily serve and represent Native Hawaiians to sustain heritage, culture, and knowledge, and may be used for exhibitions, educational services and programming, professional development, and collections stewardship.

The National Museum of African American History and Culture Act

This act directs the director of IMLS to consult with the Council and director of the National Museum of African American History and Culture to establish grant opportunities for African American museums for improving operations, care of collections, and development of professional management, and for providing internship and fellowship programs.

IMLS Grants to Museums in 2014

Total

Number of applications	Number of awards	Funds requested	Funds awarded	Applicant match
717	249	\$85,977,748	\$ 28,301,764	\$39,766,687

By Program

Museums for America

	Number of applications	Number of awards	Funds requested	Funds awarded	Applicant match
Learning Experiences	280	101	\$ 30,311,069	\$11,455,040	\$ 20,448,375
Community Anchors	69	18	\$ 7,454,024	\$1,911,638	\$ 2,967,901

Collections Stewardship	205	77	\$18,808,476	\$7,038,533	\$8,617,316
Total	554	196	\$56,573,569	\$20,405,211	\$32,033,592

National Leadership Grants for Museums

	Number of applications	Number of awards	Funds requested	Funds awarded	Applicant match
Learning Experiences	39	5	\$12,448,904	\$1,652,406	\$1,756,269
Community Anchors	18	4	\$6,326,024	\$1,693,555	\$1,856,142
Collections Stewardship	14	7	\$4,550,321	\$2,100,490	\$2,047,582
Total	71	16	\$23,325,249	\$5,446,451	\$5,659,993

*Sparks! Ignition Grants for Museums**

Number of applications	Number of awards	Funds requested	Funds awarded	Applicant match
29	5	\$703,669	\$117,728	\$58,093

*Native American/Native Hawaiian Museum Services Program**

Number of applications	Number of awards	Funds requested	Funds awarded	Applicant match
31	20	\$1,439,901	\$925,374	\$373,907

Museum Grants for African American History and Culture

Number of applications	Number of awards	Funds requested	Funds awarded	Applicant match
32	12	\$3,935,360	\$1,407,000	\$1,641,102

* Matching funds are not required for these programs.

Museum and Library Cooperative and Interagency Agreements

IMLS has numerous cooperative and interagency agreements to support and enhance agency priorities and services to the library and museum community.

Conservation Assessment Program

Heritage Preservation - Washington, DC

Award Amount: \$711,961

The Conservation Assessment Program (CAP) provides a general conservation assessment of a museum's collection, environmental conditions, and site. Conservation priorities are identified by professionals who spend two days on-site and three days writing a report. The report helps museums develop strategies for improved collections care and provide a tool for long-range planning and fundraising. The Conservation Assessment Program received 138 applications in FY 2014 and provided assessments for 78 museums in 43 states and the District of Columbia.

Film Forward

National Endowment for the Arts – Washington, DC

Award Amount: \$80,000

Film Forward is an international touring program designed to enhance greater cultural understanding and dialogue in both the United States and abroad by engaging underserved audiences through the exhibition of films, workshops, and conversations with filmmakers. It is an initiative of the President's Committee on the Arts and the Humanities and the Sundance Institute, supported by IMLS, the NEA, and the NEH.

Integrating Early Learning Activities with State Systems

The BUILD Initiative - Boston, MA

Award Amount: \$314,884

The BUILD Initiative was launched in May 2002 by a consortium of private foundations. Its aim is to stimulate public investments in early learning and help coordinate programs, policies, and services for young children. BUILD and IMLS have a year-long effort to integrate museums and libraries into statewide early childhood systems.

Learning Labs Community of Practice

National Writing Project - Berkeley, CA

Award Amount: \$296,964

The National Writing Project (NWP) is a professional development network that reaches more than 100,000 teachers across the country. With IMLS funds, NWP will help build a community of educators around the country committed to adapting, extending, and contributing to the curricula, program models, digital tools, and other prototypes that have been incubated in YOUmedia/Learning Labs. Activities will include the creation of an online micro-site to support professional development for mentors and other staff working in YOUmedia Learning Labs. The project will also provide resources and support to libraries and museums that want to develop their own learning lab.

Museum Assessment Program

American Alliance of Museums - Washington, DC

Award Amount: \$455,645

The Museum Assessment Program (MAP) helps museums assess their strengths and weaknesses, and plan for the future. A MAP assessment requires the museum staff and governing authority to complete a self-study. Following the study, a site visit is conducted by one or more museum professionals, who tour the museum and meet with staff, governing officials, and volunteers and produce a report evaluating the museum's operations, making recommendations, and suggesting resources. Three types of MAP assessments are offered: Organizational; Collections Stewardship; and Community Engagement. In FY 2014, the Museum Assessment Program received and funded 121 applications in 41 states and the Virgin Islands.

Museums for All

Association of Children's Museums - Arlington, VA

Award Amount: \$126,445

The Association of Children's Museums (ACM) will establish a nationwide museum access program that encourages visitation at all types of museums. Piloted with children's museums and, if successful, eventually expanding to include all types of museums, *Museums for All* will let low-income families visit participating museums for a nominal fee. By promoting affordable museum experiences, ACM and IMLS can encourage families of all backgrounds to visit museums regularly, building lifelong museum habits that bolster museums' role as community anchors.

National Arts and Humanities Youth Program Awards

President's Committee on the Arts and the Humanities - Washington, DC

Award Amount: \$91,500

The National Arts and Humanities Youth Program Award is the nation's highest honor for out-of-school arts and humanities programs in museums, libraries, and other youth-serving organizations. The awards recognize and support excellence in programs that open new pathways to learning, self-discovery, and achievement for young people.

National Book Festival

The Library of Congress - Washington, DC

Award Amount: \$100,000

This effort supports the Library of Congress National Book Festival's "Pavilion of the States," which highlights the work of State Library Administrative Agencies and regional library services. Representatives from State Libraries and Centers for the Book across the country interact with festival attendees (adults and children) and provide information on their state's literary heritage

and its local libraries, book festivals, activities dedicated to promoting local authors and reading, and careers and opportunities in library and information science. The “Pavilion of the States” is one of the most highly attended features of the National Book Festival with a diverse audience of families, teachers, and students.

Chief Officers of State Library Agencies (COSLA) - Lexington, KY

Award Amount: \$90,000

This grant funds the participation of representatives from throughout the United States and the U.S. territories in the National Book Festival. Representatives use this opportunity to talk about the enormous variety of reading programs around the country and the critical role of libraries in the community.

National Digital Stewardship Residency Program

The Library of Congress - Washington, DC

Award Amount: \$500,000

The program, administered by the Library of Congress and supported by IMLS, allows ten recent master’s program graduates in relevant fields to complete a nine-month residency at various institutions in the Washington, D.C. area. Accepted residents attend an intensive two-week digital stewardship workshop at the Library of Congress. Then, residents move to a host institution to work on significant digital stewardship projects.

In collaboration with the Library of Congress, IMLS developed the National Digital Stewardship Residency (NDSR) to give recent library and information school graduates practical experience in digital curation projects. All ten members of the first NDSR cohort received jobs in the field by the end of the residency. IMLS and the Library renewed the project in 2014 for two more cohorts. IMLS funded similar NDSR programs in Boston and New York. These efforts will increase the capacity of the library and archives professions to manage, preserve, and provide access to the nation’s cultural heritage in digital formats.

National Medal for Museum and Library Service: StoryCorps Door-to-Door Program:

StoryCorps - Brooklyn, NY

Award Amount: \$125,000

This cooperative agreement highlights the contributions that IMLS National Medal for Museum and Library Service award winners have made to their communities. A team from StoryCorps visits each award winner and conducts interviews with community members about how the library or museum affected their lives.

National STEM Video Game Challenge

Joan Ganz Cooney Center at Sesame Workshop - New York, NY

Award Amount: \$100,000

This award helped museums and libraries participate in the 2013 National STEM Video Game Challenge, which was presented by the Joan Ganz Cooney Center and other funders. The funding supported workshops at 20 institutions for museums and libraries to learn how to develop students' ability to participate in the Challenge. IMLS also sponsors of the 2014 National STEM Video Game Challenge.

National Student Poets Program

Alliance for Young Artists and Writers - New York, NY

Award Amount: \$50,000

This agreement, with the NEA and on behalf of the President's Committee on the Arts and the Humanities, supports the National Student Poets Program, an initiative that highlights the work of young poets for a national audience. The program also aims to inspire other young people to excellence in their creative endeavors and showcase the role of writing and the arts in academic and personal success.

STEM and Making in After-School Programs

The Exploratorium - San Francisco, CA

Award Amount: \$750,000

The Exploratorium will work with IMLS and the Department of Education to identify museum and library professionals who will assist with the implementation of STEM-rich making and tinkering programs for elementary school-aged children in a select set of 21st Century Community Learning Centers (CCLC). Professional development, activities, tools, and other resources will be provided to support programming in 25 sites in five states or regions. This project will test whether such activities would be worth expanding to more 21st CCLC sites.

Supporting Making in Museums and Libraries

Children's Museum of Pittsburgh - Pittsburgh, PA

Award Amount: \$425,192

The Children's Museum of Pittsburgh will coordinate the national Supporting Making program to build the capacity of libraries and museums to develop effective makerspaces and programs. Working with The Exploratorium, Maker Education Initiative, Chicago Public Library, and North Carolina State University Library, the Children's Museum will 1) conduct a comprehensive review of current efforts and develop a model of successful programs; 2) hold a meeting to discuss the framework; 3) and develop resources for libraries and museums that want to start or expand their makerspaces.

Tribal Stewardship Cohort Program

Washington State University - Pullman, WA

Award Amount: \$698,605

IMLS signed a cooperative agreement with Washington State University to increase the capacity of tribal libraries, archives and museums (TALMs) to digitize and preserve cultural heritage materials in culturally responsive ways. The three-year project will train staff on the use of a web-based, online collections management system, Mukurtu, developed with federal funds from the IMLS and NEH.

Policy Research, Analysis, Data Collection, and Dissemination

Section 9108 of the Museum and Library Services Act authorizes the director of IMLS to conduct policy research, analysis, and data collection annually with (1) State Library Administrative Agencies; (2) national, state, and regional library and museum organizations; (3) other relevant agencies and organizations.

It also mandates that IMLS should:

1. identify national needs for and trends in museum, library, and information services;
2. measure the impact and effectiveness of museum, library, and information services including the impact of federal programs authorized under this chapter;
3. identify best practices; and
4. develop plans to improve museum, library, and information services and to strengthen national, state, local, regional, and international communications and cooperative networks.

IMLS provides reliable and objective data and analysis to inform policy decisions. It is a source of information about library and museum service trends, including analysis of market conditions that affect the financial health of the museum and library sectors. IMLS is committed to supporting highly diversified perspectives, methods, and researchers to advance museum and library and information services research.

Over the past fiscal year the policy research office made more IMLS data available to the public. The agency developed a data portal that allows non-technical users to access and analyze IMLS data and create charts, graphs and maps. The site also provides an application program interface (API) for every data set in the catalog, which allows developers easier access to IMLS data to share data across distinct applications and platforms. The beta site is being tested now and will be available to the public in FY 2015.

Interagency Collaboration

The Museum and Library Services Act authorizes the IMLS director to support interagency collaboration:

1. initiatives, materials, or technology to support workforce development activities undertaken by libraries;
2. resource and policy approaches to eliminate barriers to fully leveraging the roles of libraries and museums in supporting the early learning, literacy, lifelong learning, digital literacy, workforce development, and education needs of the people of the United States; and
3. initiatives, materials, or technology to support educational, cultural, historical, scientific, environmental, and other activities undertaken by museums.

The Act also authorizes the Director to coordinate the policies and activities of IMLS with the policies and activities of other agencies and offices of the federal government having interest in or responsibilities for the improvement of museums, libraries, and information services. The statute expressly requires the Director to coordinate with other agencies to improve literacy through school libraries and through programs supported by the Head Start and Workforce Investment Acts. It also authorizes the Director to ensure that IMLS policies and activities are coordinated with federal programs and activities that increase the capacity of libraries and museums to participate in economic and community development, education and research, improving digital literacy skills, and disseminating health information.

IMLS has interagency partnerships to support a wide range of activities, including advancing broadband adoption, coordinating early learning activities, supporting the effective delivery of workforce development services, and distributing federal information impacting the health and well-being of Americans.

H. Summary of Strategic Goals, Objectives & Results

Libraries and museums are tremendous national assets with infrastructure, expert staff, technology, and collections. IMLS has four priorities: 1) integrating the early learning work in libraries and museums with comprehensive early learning strategies; 2) preparing libraries and museums to lead in the makerspace movement; 3) establishing federal partnerships to serve citizens better; and 4) improving accountability and outcome reporting for the Grants to States program.

Early Learning

Libraries and museums have a long history of serving young children and are crucial to early learning.

In FY 2014, IMLS accomplished the following.

- Awarded \$1.5 million in discretionary grants for early learning programming in libraries and museums. This builds upon \$4.3 million in 2013 and \$2.5 million awarded in 2012.
- Convened a meeting with former U.S. Department of Education Deputy Assistant Secretary Joan Lombardi; Division Director of Home Visiting and Early Childhood Systems HHS Dr. David Willis; and library and museum experts to generate new networks and information sharing.
- Announced a partnership with BUILD to work intensively with five states to develop case studies and tools to strengthen early learning partnerships.
- Launched *Museums for All* to address the economic divide in museum visitors and to give America's neediest children the strong start they need. IMLS and the Association of Children's Museums will pilot that will enable low-income families to visit participating museums for a minimal fee. A goal of this pilot is to encourage families of all backgrounds to visit museums regularly.
- Was named by the Campaign for Grade-Level Reading as one of its 2014 Pacesetter Partners to highlight the work of IMLS in advancing the contributions the libraries and museums make to early learning and student success in their communities.

STEM Education and Makerspaces

IMLS helps libraries and museums to deliver 21st century skills. Combining strengths in traditional and digital learning, libraries and museums are well-positioned to build the skills Americans need in the 21st century. IMLS granted \$23 million in 140 STEM-related projects in FY 2013-2014. IMLS will continue this priority for STEM learning for at-risk youth in FY 2015.

In May 2014, IMLS announced "Supporting Making in Museums and Libraries," an initiative with the Pittsburgh Children's Museum, the San Francisco Exploratorium, the North Carolina State University Libraries, and the Chicago Public Library to create a national Maker@Your

Library and Museum program. The project will create a free toolkit for museums and libraries that want to create effective, collaborative makerspaces and programs.

IMLS and the National Writing Project (NWP) are creating a Learning Labs Community of Practice. With \$296,964 in support from IMLS, NWP, a professional development network that reaches more than 100,000 teachers, will help build a community of educators around the country committed to adapting, extending, and contributing to the curricula, program models, digital tools, and other prototypes. Activities will include the creation of an online micro-site to support professional development for mentors and other staff working in YOUmedia Learning Labs. The project will also provide resources and support to libraries and museums interested in developing their own learning lab. Inspired by digital teen spaces in libraries and innovations in science and technology centers, these labs will help young people move beyond consuming content to making and creating it.

IMLS works with the Joan Ganz Cooney Center at Sesame Street on the National STEM Video Game Challenge. This project is designed to increase interest in STEM learning by tapping into students' skills in video games to develop thinking, problem solving, iterative design skills, and digital media literacy.

IMLS and the Mozilla Foundation are helping libraries and museums to collaborate with other community organizations to host maker parties—volunteer-led events that teach web literacy through play and hands-on making. This partnership is to teach the culture, mechanics, and citizenship of the web—key skills for the future. Mozilla trained 100 librarians and museum professionals via online training as digital literacy skills trainers.

Federal Partnerships

Americans depend upon libraries to deliver a wide range of information services.

As more and more government services are only available online, the library has an increased role in the delivery of federal information and services. In the past three years, federal agencies have increasingly sought partnerships with IMLS, as they recognized the power that libraries have in reaching the American public.

For example, more than 32 million Americans used a library computer for health information in one year. Thus, the U.S. Health and Human Services, Centers for Medicare and Medicaid partnered with IMLS to help libraries access the online resources for meeting patrons' health information needs. More than 1,000 library professionals participated in webinars in FY 2013 and FY 2014.

The U.S. Citizenship and Immigration Services (USCIS) signed a memorandum of understanding with IMLS pledging to support local libraries' services to new immigrants. More than 55 percent of people who immigrated to the United States within the last 15 years use the public library at least once a week and more mock naturalization interviews take place at public libraries than at any other community institution. In FY 2014, IMLS worked with USCIS to conduct a webinar series to help librarians meet the needs of new immigrants.

IMLS is working with the Consumer Financial Protection Board (CFPB) to help libraries access and use financial education tools. In FY 2014, IMLS partnered with the CFPB to identify pilot sites for the development and testing of new tools for librarians.

In July, Congress passed the Workforce Opportunity and Investment Act. For the first time, the Act recognized the role of libraries as partners helping to meet the training and workforce development needs of their communities. The language of the Act builds upon the IMLS partnership with the Employment and Training Administration at the U.S. Department of Labor to encourage partnerships between America's Job Centers and public libraries to support workforce development and small business. In FY 2014, IMLS began working with the Office of Career, Technical, and Adult Education (OCTAE) at the U.S. Department of Education to encourage collaboration between libraries and federally funded adult education programs.

Over the past year, the IMLS Office of Planning, Research and Evaluation helped the Office of Strategic Planning and Policy Analysis of the Federal Communications Commission (FCC) to understand how IMLS data might inform the FCC's E-rate Modernization Planning. This analysis revealed a significantly larger E-rate take-up rates than had been reported in previous studies or by the FCC itself.

IMLS works with federal agencies through the Partners in Tourism initiative—advancing the nation's National Tourism Strategy and spotlighting the role of cultural heritage organizations in supporting economic development through tourism. In April, IMLS participated in a panel with the National Endowment for the Humanities, National Endowment for the Arts, and the American Express Foundation as part of the Cultural Heritage Exchange Conference.

IMLS participates in the Multi-Agency Informal Science Education Forum, which brings together federal agency representatives to share information and resources on STEM-focused programming.

IMLS administers a sub-initiative of the *Let's Move!* program called *Let's Move! Museums and Gardens* to help millions of museum and garden visitors learn about healthy food choices and promote physical activity through interactive exhibits and programs.

IMLS works with the President's Committee on the Arts and the Humanities and the nonprofit Alliance for Young Artists & Writers on the National Student Poets Program.

Measuring Success

The Grants to States program is 73 percent of the agency's budget. It can be used to promote library innovation with better reporting and information sharing systems. IMLS is working with 16 pilot states to redesign program-reporting protocols. The new reporting system will organize program information using consistent, standardized metrics and use a new national taxonomy of program activities, making it easier for states to report and help IMLS to compare and contrast performance across states.

I. Brief Analysis of Financial Statements

Underlying the agency’s many programmatic achievements is its commitment to organizational excellence and sound financial management. IMLS has a fiduciary and stewardship responsibility to manage its federal funds effectively and efficiently and to comply with federal financial management guidance. As part of this responsibility, the agency prepares annual financial statements in accordance with generally accepted accounting principles (GAAP). The principal financial statements have been prepared to report the financial position and results of operations for IMLS. The FY 2014 financial statements and accompanying notes are presented in accordance with OMB Circular A-136, *Financial Reporting Requirements*, and are shown in comparative formats.

To ensure the integrity and reliability of the annual financial statements, IMLS subjects them to an annual independent audit.

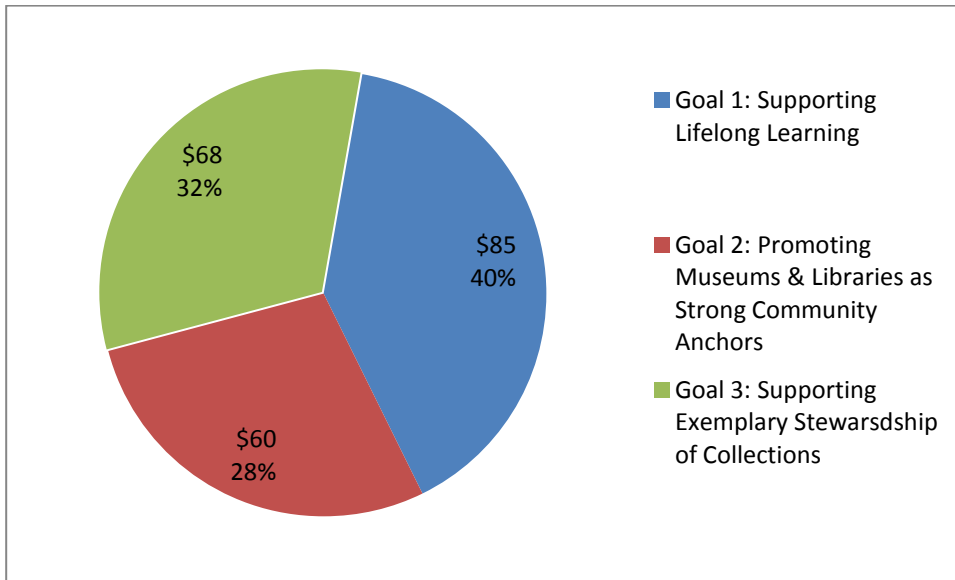
Figure 1 below summarizes the IMLS financial position in FY 2014. Figure 2 summarizes the FY 2014 grant award obligations by Strategic Goal.

Figure 1: IMLS FY 2014 Financial Position

The significant change from the prior year in the liabilities and net cost categories below is attributable primarily to the FY 2013 sequestration and increased efforts by the agency to close and deobligate awards from prior years in which all activity has been completed. The percentage decrease to both the assets and the net position of IMLS were insignificant in FY 2014.

Net Financial Condition	FY 2014	FY 2013	Increase/(Decrease)(\$)	Change (%)
Assets	\$288.8M	\$298.8M	(\$10.0M)	(3.3%)
Liabilities	\$45.2M	\$53.0M	(\$7.8M)	(14.7%)
Net Position	\$243.6M	\$245.8M	(\$2.2M)	(.90%)
Net Cost	\$225.4M	\$254.5M	(\$29.1M)	(11.4%)

Figure 2: IMLS FY 2014 Grant Obligations
IMLS FY 2014 Grant Awards issued by Strategic Goal (\$ in millions)



J. Limitations of Financial Statements

IMLS has prepared the principal financial statements to report the financial position and results of operations of the entity, pursuant to the requirements of 31 U.S.C. 3515(b). While the statements have been prepared from the books and records of the entity in accordance with Generally Accepted Accounting Principles (GAAP) for federal entities and the formats prescribed by the Office of Management and Budget (OMB), the statements are in addition to the financial reports used to monitor and control budgetary resources which are prepared from the same books and records.

K. Management Assurances

Overall Internal Control

IMLS recognizes the importance of establishing and maintaining adequate controls over its programs and administrative functions. Management continues to evaluate and modify existing controls—and establish new ones as appropriate—to ensure accountability of federal funds and resources. IMLS also recognizes technology can enhance effectiveness and efficiency and ensure an adequate degree of internal control and compliance with applicable laws and regulations. Consistent with operating procedures and pursuant to the Federal Managers' Financial Integrity Act of 1982 (FMFIA), the Chief Financial Officer requested each office head to conduct an internal review of their activities to identify possible deficiencies in management controls. IMLS senior executives closely reviewed these plans and provided written statements of their findings. The results are reported here, within the agency's FY 2014 Performance and Accountability Report, consistent with the provisions of the Reports Consolidation Act of 2000. Based on the review process described above, IMLS provides the following assurances:

IMLS management is responsible for establishing and maintaining effective internal control and financial management systems that meet the objectives of the Federal Managers' Financial Integrity Act (FMFIA). IMLS conducted its assessment of the effectiveness and efficiency of operations and its compliance with applicable laws and regulations in accordance with OMB Circular A-123, *Management's Responsibility for Internal Control*. Based on the results of this evaluation, IMLS can provide reasonable assurance that its internal control over the effectiveness and efficiency of operations and compliance with applicable laws and regulations as of September 30, 2014 was operating effectively and no material weaknesses were found in the design or operation of the internal controls.

Internal Control over Financial Reporting

IMLS conducted an assessment of the effectiveness of internal control over financial reporting, which includes safeguarding of assets and compliance with applicable laws and regulations, in accordance with OMB Circulars A-123, *Management's Responsibility for Internal Control*, and A-136, *Financial Reporting Requirements*. Based on the results of this evaluation and the audit report on our financial statements, IMLS can provide reasonable assurance that its internal control over financial reporting as of September 30, 2014 was operating effectively and that no material weaknesses were found in the design or operation of the internal control over financial reporting.

Susan H. Hildreth
Director

2. Measuring Performance: Key Results for 2014

A. Performance Goals, Objectives and Assessments

1. Assessing Progress in Meeting Goal 1 Objectives

Strategic Goal 1: IMLS places the learner at the center and supports engaging experiences in libraries and museums that prepare people to be full participants in their local communities and our global society.

To succeed in our rapidly changing society and economy, individuals must understand relevant events and trends, develop perspective and judgment, remain current in their occupations, and update their skills. Everyone is welcome at our nation’s libraries and museums, giving these institutions the capacity to reach underserved audiences and to develop learning experiences in every discipline, including science, engineering, and business, and basic literacy in digital, health, and financial literacy.

Through their collections, exhibits, programs (onsite, offsite, and online), and partnerships, these institutions provide opportunities for lifelong, “life-wide” learning from young children to adults.

The chart summarizes progress in meeting the goal’s objectives.

Objective 1.1: Invest in projects that provide inclusive and accessible learning opportunities to individuals of diverse geographic, cultural, special needs, and socioeconomic backgrounds.	Met
Objective 1.2: Support communities of practice that draw on current research and evaluation literature to develop effective informal and formal learning experiences in museums and libraries.	Met
Objective 1.3: Facilitate partnerships among museums, libraries, and other education providers to expand learning opportunities for the public.	Met
Objective 1.4: Support the training and development of museum and library leadership to meet the needs of diverse publics in a rapidly changing environment.	Met

IMLS has demonstrated its commitment to supporting accessible programs targeted at underserved communities. The agency has developed tools to share best practices and has worked with other groups to encourage effective partnerships. IMLS supports professional development of the library and museum workforce by analyzing past efforts and developing new models for sharing the results.

Objective 1.1: Invest in projects that provide inclusive and accessible learning opportunities to individuals of diverse geographic, cultural, special needs, and socioeconomic backgrounds.

FY 2014 Associated Activities from the Strategic Plan:

- Promote and share best practices to access and serve special populations and underserved communities

FY 2014 Benchmarks and Assessing Progress:

- No specific FY 2014 benchmarks for Objective 1.1

FY 2014 Evidence of Progress for Objective 1.1:

Discretionary Grants

- Awarded eight grants totaling \$1.9 million to improve library programs and services to underserved populations; \$894,405 to new Americans, \$49,995 to veterans; and \$1 million to individuals with learning disabilities.
- Awarded 11 library grants totaling \$1.5 million and 19 museum grants totaling \$2.6 million to support early learning.
- Made 20 museum grants and 258 library grants of more than \$5 million to federally recognized Indian tribes and organizations serving native Hawaiians.
- Provided \$1.4 million to support African American museums to enhance their institutional capacity through professional development, internships, technical assistance and other tools.

Cooperative Agreements

IMLS signed a cooperative agreement with Washington State University to increase the capacity of tribal libraries, archives and museums (TALMs) to digitize and preserve cultural heritage materials in culturally responsive ways. The three-year project will train staff on the use of a web-based, online collections management system, Mukurtu, developed with federal funds from IMLS and NEH.

IMLS, the Association of Tribal Archives and Museums (ATALM), National Endowment for the Humanities, Department of Education, and National Science Foundation developed a strategy for the preservation of native languages and cultural heritage. This group will present the draft strategy at the 2015 annual ATALM conference in Washington.

IMLS and the Association of Children’s Museums (ACM) want to expand access to museums for lower-income families. The project, “Museums for All,” will allow the use of electronic benefit transfer (EBT) cards to provide nominal admission fees to museums.

FY 2014 Grant Examples:

- **Peabody Essex Museum - Salem, MA**

Amount: \$473,453

Grant: National Leadership Grants for Museums - Learning Experiences

Peabody Essex Museum will expand and refine Access App, a prototype open-source mobile application to increase accessibility to museum collections by adding video capture capabilities, improve the usability of the interface, and make the entire platform easily reusable by other cultural institutions. The museum will employ the services of a consulting firm to crowdsource verbal descriptions, American Sign Language video content, and translations into other spoken and signed languages. This project will also add to the museum's accessible mobile content enabling individuals with disabilities to experience the collections, engage visitors who bring smartphones and tablets to museums, and provide a platform that any museum can use.

- **Portland State University - Portland, OR**

Amount: \$500,000

Grant: National Leadership Grants for Libraries - Research

Portland State University (PSU) and Multnomah County Library (MCL) will collaborate on research on improving library practices, programs, and services for adult patrons, especially adults with low literacy skills, seniors, English learners, socially isolated adults, and adults with low incomes. The project features the administration of the "Problem Solving in Technology Rich Environments" (PSTRE) survey developed by the Program for the International Assessment of Adult Competencies (PIAAC) of the Organization for Economic Cooperation and Development (OECD).

- **Santa Ana Public Library - Santa Ana CA**

Amount: \$495,550

Grant: National Leadership Grants for Libraries - Demonstration

The Santa Ana Public Library, in partnership with HistoryPin, will conduct a library-based community memory program to build community connections and cultural heritage collections through sharing stories of migration in America. This project will build a publicly accessible and free digital platform for community members and institutional partners; develop training guidelines, curriculum, and other materials.

- **University of Texas at Austin, School of Information - Austin, TX**

Amount: \$49,959

Grant: National Leadership Grants for Libraries

The University of Texas at Austin, School of Information will partner with the nonprofit Songwriting with Soldiers to help veterans in exploring, describing, and sharing their experiences with professional songwriters. This project may help veteran's address the impact of post-traumatic stress disorder (PTSD).

- **College of Computing and Informatics, Drexel University - Philadelphia, PA**
Amount: \$294,536
Grant: Laura Bush 21st Century Librarians Program - Research in Early Careers Development

This three-year Early Career project investigates how to meet the information needs of the urban poor. This project will help library and informal science professionals and researchers gain understanding of how oral information services may be designed, organized, and managed. The project director will work with community and library staff in urban public libraries to design library services to meet those needs, and evaluate the services with the goal of improving service models.

Objective 1.2: Support communities of practice that draw on current research and evaluation literature to develop effective informal and formal learning experiences in museums and libraries.

FY 2014 Associated Activities from the Strategic Plan:

- Promote and share project outcomes and best practices using the IMLS website and other information-sharing platforms.
- Require current and future IMLS grantees to share information to improve informal learning and formal education opportunities.
- Develop stronger incentives for IMLS grantees to conduct formative and summative evaluation of informal learning and formal education projects, aligned with evaluation plans of the affected IMLS programs.

FY 2014 Benchmarks and Assessing Progress:

- At least 50 percent of Grants to States and discretionary grantees will adopt identified best practices in informal and formal learning in museums and libraries and share lessons learned, using the IMLS website and other information-sharing platforms.
- IMLS will revise reporting guidelines to more clearly identify project lessons and best practices in informal and formal education programming.
- At least 70 percent of grantees in targeted discretionary grant programs will use formative and summative assessments that correlate to measurable IMLS program objectives.

IMLS has achieved these benchmarks. The “Measuring for Success” initiative which identifies best practices in informal learning and shares that information with all Grants to State programs, was used by 16 states (32 percent) in FY 2014 and will be used by at least 50 percent of states in FY 2015. Standard formats for interim and final reports for discretionary grants are being used by 100 percent of grantees and require identification of best practices, formative and summative assessments.

FY 2014 Evidence of Progress for Objective 1.2:

Library Grants to States

The “Measuring Success” initiative identifies common service areas, including formal and informal learning, and measures their impact. IMLS worked with 16 State Library Administrative Agencies to share effective practices. These states submitted annual reports using the new system, and starting in FY 2015, more states will participate.

IMLS program staff developed a standard format for interim and final performance reports, which will now be required for grantees. Staff members are refining the format so it can allow for batch analysis and data mining. The IMLS Open Government Working Group will make final grant reports publicly available online, and the full text of the reports should be searchable; discoverable on an individual, item-by-item basis; and available for bulk downloading.

Cooperative Agreements

With a grant of \$425,192 the Children’s Museum of Pittsburgh and the North Carolina State University Library, The Exploratorium, Chicago Public Library, and the Maker Education Initiative, are developing the Supporting Making in Museums and Libraries project. The project will create a framework tools and resources for libraries and museums that want to create makerspaces.

With a grant of \$148,482 the National Writing Project (NWP) will develop and support the Learning Labs Community of Practice. NWP is a professional development network that reaches more than 100,000 teachers. NWP will use these funds to help teachers adapt, extend, and contribute to the curricula, program models, digital tools, and other prototypes of YOUmedia/Learning Lab programs funded by IMLS and the MacArthur Foundation.

Discretionary Grants

IMLS revised its instructions for applications for discretionary museum grants to request information that demonstrates how the proposed activities, technologies, and /or methodologies are informed by appropriate theory and practice.

Communications

IMLS uses its website and social media platforms to promote and share project outcomes. Through its blog, feature stories on successful grantees, and active Twitter and Facebook accounts, IMLS engages thousands of museum and library professionals. The agency has more than 6,600 fans on Facebook, 8,100 Twitter followers, 4,200 subscribers to the UpNext blog, and 17,000 subscribers to the monthly newsletter, Primary Source. The blog includes interviews with state librarians and student poets, videos from national medal winners’ community members, and posts about the latest policy developments in STEM, early learning and workforce development.

FY 2014 Grant Examples:

The Wild Center - Tupper Lake, NY

Amount: \$391,371

Grant: National Leadership Grants for Museums - Learning Experiences

The Wild Center will develop, implement, and disseminate a model program, Visual Thinking Strategies (VTS) in Science, for the science museum field. In partnership with several museums, educators, and a consulting firm, the Wild Center will develop informal and formal learning programming; implement a model professional development program for science museum professionals and elementary teachers; provide educators resources and knowledge to develop VTS in Science programming relevant to daily teaching—including a VTS toolkit; and evaluate the effectiveness of the VTS in Science program.

University of Washington - Seattle, WA

Amount: \$140,066

Grant: National Leadership Grants for Museums – Learning Experiences

In recent years, the use of dialogue to facilitate learning around important societal topics has emerged as a promising and innovative educational strategy for museums that supports a key IMLS strategic goal to “prepare people to be full participants in their local communities and our global society.” Most of these programs have been project or issues-based and the focus of professional development materials and evaluation efforts has been limited to the impact of very specific projects.

The University of Washington will analyze and synthesize existing research and knowledge about dialogue programs in museums and organize a cross-discipline symposium to bring together museum professionals from both STEM-based and history institutions with a goal to develop models and resources to support planning, facilitating, evaluating, and studying the use of dialogue in museums as an effective means of community engagement. The project addresses a lack of a substantive body of knowledge, the need for instructional theory, and an understanding and dissemination of best practices to support effective dialogue programming.

New School - New York, NY

Amount: \$484,769

Grant: National Leadership Grants for Museums – Community Anchors

The New School will establish an ongoing national training program to explore best practices for museums to use in opening public dialogue on civic issues. The program will cultivate 150 new museum trainees who will collaboratively design, implement, and evaluate an exhibit to travel nationally, web platform, and public dialogue strategies related to the history of a contested issue of shared concern, such as immigration or mass incarceration. The school aims to use this program as a test run for new strategies in the use of museums as effective catalysts for civic engagement. A goal and byproduct of the project is the creation of a national network of students, faculty, and museum staff that are experienced and interested in using museums for the purpose of civic participation.

**Foundation of the American Institute for Conservation of Historic & Artistic Works, Inc.-
Washington, DC (FAIC)**

Amount: \$274,935

Grant: National Leadership Grants for Museums

FAIC will provide information, training, and support for those who care for collections in the United States. This project will expand on FAIC's current resource, Connecting to Collections (www.connectingtocollections.org). The new resource will feature discussion forums, webinars on collections care topics, links to vital resources, and an archive of past webinars and course materials.

Museum of Science - Boston, MA

Amount: \$460,292

Grant: National Leadership Grants for Museums – Community Anchors

The Museum of Science will launch the “Collaboration for Ongoing Visitor Experience Studie” (COVES) project and develop common ways to analyze visitor data. This work will give science centers insight into how the public uses and experiences their centers.

Objective 1.3: Facilitate partnerships among museums, libraries, and other education providers to expand learning opportunities for the public.

FY 2014 Associated Activities from the Strategic Plan:

- Provide best practice resources for museum and library partnerships with other community-based providers, drawing upon research in related fields.

FY 2014 Benchmarks and Assessing Progress:

- IMLS will have documented best practices on effective partnership for formal and informal learning in museums and libraries

IMLS has achieved this benchmark. Through a wide variety of activities and grant investments, we have documented a number of best practices for learning in museums and libraries.

FY 2014 Evidence of Progress for Objective 1.3:

Cooperative Agreements

IMLS is partnering with BUILD to integrate museums and libraries into statewide early childhood systems. Museums and libraries serve families and are valuable community assets, but many state-level efforts aimed at supporting young children's growth and development focus narrowly on formal institutions of learning and health, such as pre-kindergarten, K-12 education, and the public health system. The BUILD initiative will help connect libraries and museums to their educational partners.

2014 grant examples:

Public Library Association - Chicago, IL

Amount: \$213,682

Grant: Laura Bush 21st Century Librarians Program - Continuing Education

The Public Library Association (PLA), a division of the American Library Association, and the International City/County Management Association developed the PLA Leadership Academy to teach librarians how to work with local government and other agencies. PLA will use these grant funds to measure the impact of its PLA Leadership Academy.

Detroit Zoological Society - Royal Oak, MI

Amount: \$24,772

Grant: Sparks! Ignition Grants for Museums

The Detroit Zoo will use these funds to help underrepresented students achieve STEM success. The “Learning Classroom—Community of Practice” project will present four workshops by the zoo’s informal educators, STEM content experts at the Detroit Area Pre-College Engineering Program, and Oakland University’s School of Education and Human Services. The group will develop methods for addressing developmental needs of youth while providing science education.

Illinois State Library - Springfield, IL

Amount: \$100,000

Grant: National Leadership Grants for Libraries

The Illinois State Library will use these funds to explore how libraries can assist communities to address the topic of Autism Spectrum Disorders (ASD). This project will develop partnerships with multi-type libraries, education, government, medical and ASD services organizations, and other organizations whose work intersects with this special needs population. This project will: 1) develop an implementation plan to increase autism awareness, education and support services; 2) develop an implementation plan to improve and streamline online access to information about ASDs; and 3) establish partnerships.

Objective 1.4: Support the training and development of museum and library leadership to meet the needs of diverse publics in a rapidly changing environment.

FY 2014 Associated Activities from the Strategic Plan:

- Develop an action plan to align educational opportunities with the current and future needs of the museum and library workforce.

FY 2014 Benchmarks and Assessing Progress:

- Complete an action plan with measurable objectives for education of professional museum and library staff, reflecting priorities identified through the stakeholder convening.

IMLS has achieved this benchmark through a number of activities and investments. The most directly applicable is the work of the Coalition of Advance Learning in Archives, Libraries and

Museums, which is creating a framework for relevant and sustainable continuing education for these three disciplines.

FY 2014 Evidence of Progress for Objective 1.4:

Cooperative Agreements

IMLS continued to support the work of the Coalition to Advance Learning in Archives, Libraries and Museums, a collaboration of associations from all three professions. The Coalition devises and strengthens Continuing Education and Professional Development (CE/PD) programs. IMLS has funded projects that explore collaborative leadership programs and that identify professional CE/PD needs that cross professional boundaries. The Coalition has received additional funding from the Bill and Melinda Gates Foundation.

In collaboration with the Library of Congress, IMLS developed the National Digital Stewardship Residency (NDSR) to place recent library and information school graduates in host institutions in digital curation projects. All ten members of the first NDSR cohort received jobs in the field by the end of the residency. IMLS and the Library renewed the project in 2014 for a second and third set of cohorts. IMLS funded similar NDSR programs in Boston and New York, as well. These efforts will increase the capacity of the library and archives professions to manage, preserve and provide access to the nation's cultural heritage in digital formats.

IMLS held a conference with the American Alliance of Museums for the nation's state museum associations to assess their needs. Over 90 individuals from 45 states met in Bentonville, Arkansas, to explore the strengths, weaknesses, challenges, and opportunities of these associations.

Communications

IMLS held three meetings for library leaders and professionals to discuss the agency's funding priorities on the National Digital Platform, Learning Spaces in Libraries, and STEM. As a result of these meetings, IMLS will change the National Leadership Grant application guidelines and cycle in FY 2015. IMLS already used these three priorities in the FY 2014 National Leadership Grant program, the Laura Bush 21st Century Librarian Program, and Sparks! Ignition Grants for Libraries.

FY 2014 grant examples:

College of Information Studies, University of Maryland - College Park, MD

Amount: \$284,176

Grant: Laura Bush 21st Century Librarians Program - Continuing Education

The University of Maryland's College of Information Studies will use its grant to implement the Lilead Fellows Program, continuing educative initiatives for district-level school library supervisors. An initial group of 25 Lilead Fellows will engage in an 18-month program through a summer institute; networking sessions at national professional conferences; and the Lilead Network, an online community for library supervisors. This project was developed based on the findings of an IMLS research study on individuals who manage library services in large and

medium-sized school districts across the country.

College of Computing and Informatics, Drexel University - Philadelphia, PA

Amount: \$498,773

Grant: Laura Bush 21st Century Librarians Program - Continuing Education

Drexel University's continuing education project will provide access to resources and opportunities for cataloging and metadata professionals, so they can keep up with current developments and emerging trends in metadata standards and digital technologies. The project will create a digital repository of professional development resources; a virtual platform for professionals to communicate, mentor, and share library projects, applications, and best practices; and an open-source webinar series with sequential learning modules.

Illinois State Library - Springfield, IL

Amount: \$500,000

Grant: Laura Bush 21st Century Librarians Program - Continuing Education

The Illinois State Library will expand its successful ILEAD USA program to Connecticut, Delaware, Maine, Maryland, New Jersey, Pennsylvania, and Vermont, and hold convenings in the existing ILEAD states of Colorado, Ohio, Utah, and Illinois in 2015. ILEAD USA brings diverse teams of library staff together to use technology tools to craft a project that meets a community need related to an IMLS priority.

South Central Regional Library Council - Ithaca, NY

Amount: \$336,665

Grant: Laura Bush 21st Century Librarians Program - Continuing Education

Design for Learning: 21st Century Online Teaching and Learning Skills for Library Workers is a three-year continuing education development and implementation partnership project among the South Central Regional Library Council, Syracuse University's School of Information Studies, and the NY 3Rs Association, Inc. The project will 1) enable librarian-trainer participants to transfer their in-person teaching skills and pedagogy to the online environment, 2) enable librarian-trainers to evaluate and gain experience with various delivery platforms, and 3) teach library workers to learn online. Project results and all materials, including the modules/units, best practices, and presentations, will be freely available to the library community via the project website, LibGuides, WebJunction, and other relevant sites.

Graduate School of Library and Information Science, Simmons College - Boston, MA

Amount: \$98,958

Grant: Laura Bush 21st Century Librarians Program - Collaborative Planning Grant

Simmons College will use its grant to host a national forum on re-visioning library and information science (LIS) education. The forum will focus on current and future roles of LIS graduates and the knowledge, skills, and abilities associated with these roles.

Cincinnati Zoo & Botanical Garden - Cincinnati, OH

Amount: \$345,777

Grant: National Leadership Grants for Museums - Collections Stewardship

Cincinnati Zoo & Botanical Garden's Center for Conservation and Research of Endangered

Wildlife (CREW) in partnership with SeaWorld & Busch Gardens Reproductive Research Center will expand access to and build capacity for African and Asian rhino reproductive care within North American zoo facilities. Current rates of reproduction in captive African and Asian rhinos remain insufficient for long-term sustainability and increased poaching is threatening wild rhino populations. CREW will use its expertise in Asian rhino assisted reproductive technology, which includes artificial insemination, hormone administration, sperm collection, sorting (male vs. female), and cryopreservation, to develop techniques for African rhinos and will train eight partner facilities in these techniques. The project will assist facilities in producing rhino pregnancies through technology transfer of proven and novel assisted reproductive technology and staff training, thus increasing the tools necessary to meet the genetic and demographic needs of captive breeding programs, and ensuring the continued existence of these animals.

Montana State University - Bozeman, MT

Amount: \$358,576

2014 Laura Bush 21st Century Librarians Program - Continuing Education

Montana State University will use its grant to support the Tribal College Librarian Institute (TCLI), an annual weeklong professional development program for tribal college librarians and archivists. Because of their geographic isolation and relatively low budgets, tribal college librarians often cannot attend professional conferences. Since 1991, TCLI has provided continuing education programming to tribal college librarians, helping them to develop the information and digital literacy of their communities.

2. Assessing Progress in Meeting Goal 2 Objectives

Strategic Goal 2: IMLS promotes museums and libraries as strong community anchors that enhance civic engagement, cultural opportunities, and economic vitality.

Healthy, thriving, sustainable communities need institutions that strengthen civic life, understand and respond to community needs, and provide common experiences that knit together diverse interests. Museums and libraries are community-based organizations that can serve as anchor institutions. They connect people to information and ideas. They encourage the participation and dialogue that are crucial to creating a sense of place and strengthening the link between individuals and their communities. They are more than just safe places for community gathering; they provide a center for community vitality, a connecting point for community services, and a venue for cultural expression and lifelong learning. Programs and services at libraries and museums enhance civic discourse, increase scientific literacy, and connect communities to information regarding health, education, job seeking and training, digital literacy, and early and intergenerational learning.

IMLS identifies innovative services developed in one community, sharing the strategies and approaches with similar service providers. Targeted federal investments can optimize use of private, state, and local funds; ensure that underserved populations are reached; and provide links to practice, research, and data. This chart summarizes progress in meeting this goal.

Objective 2.1: Invest in projects that strengthen the role of libraries and museums as core components of a broader community learning and service infrastructure.	Met
Objective 2.2: Partner with other federal agencies to leverage the resources of libraries and museums in advancing national priorities, including education, health, disaster preparedness, digital literacy, and economic and workforce development.	Met
Objective 2.3: Ensure that public and private sector leaders have the information they need to make strategic policy and investment decisions that leverage the infrastructure and expertise of museums and libraries.	Partially Met

Objective 2.1: Invest in projects that strengthen the role of libraries and museums as core components of a broader community learning and service infrastructure.

FY 2014 Associated Activities from the Strategic Plan:

- Identify and assemble no-cost tools and resources for museums and libraries to use to conduct community needs assessments and promote evidence-based planning.

FY 2014 Benchmarks and Assessing Progress:

- IMLS will develop tools for museum and library stakeholders to conduct improved and systematic assessments to meet a range of social and economic needs.

FY 2014 Evidence of Progress for Objective 2.1:

Needs Assessment

Over the past three fiscal years, IMLS has published tools for library and museum professionals to examine their social and economic indicators in their communities. In FY 2011, IMLS provided links to 30 web-based tools about: General Demographics; child wellbeing; education; health; arts and culture; library services; economic indicators; labor and employment and small business. These resources can be found at: www.ims.gov/research/data_analysis_tools.aspx. IMLS worked with Census to develop a set of tools that combined Public Library in the United States data, collected annually by IMLS, with data from the American Community survey, an annual data collection of social demographic data conducted by Census.

Convening

In December 2013 IMLS held a national meeting to review a new draft report on the role of libraries and museums in comprehensive community development. The meeting included the Local Initiative Support Corporation, a nationally recognized community development intermediary that works primarily with the U.S. Department of Housing and Urban Development,

museum and library service representatives, representatives from NEA and NEH and several national-level grant making foundations. LISC and IMLS are producing a series of small reports that profile library and museum community development efforts.

FY 2014 grant examples:

Hartford Public Library - Hartford, CT

Amount: \$37,147

Grant: National Leadership Grants for Libraries

The Hartford Public Library's Hartford History Center and the Digital Media Center at the University of Connecticut, will develop "Find Your Voice," a nationally replicable model for integrating libraries' humanities collections with their civic engagement programs. This interpretive, mobile-optimized website will use interactive media to explore historic individuals who found their civic voice through poetry, performance, and other expressive forms. Additionally, multimedia tutorials will connect past traditions of civic engagement to contemporary concerns, strategies, and voices.

University of Tennessee - Knoxville, TN

Amount: \$49,557

Grant: National Leadership Grants for Libraries

University of Tennessee will explore the role rural public libraries in the Appalachian region play in small business economic development. During the project, the university will collect quantitative and qualitative feedback based on the needs, expectations, and experiences of small businesses and rural public libraries in the state. Outcomes from the project will include a prototype of a Public Library Small Business Toolkit. It could serve as a pilot to the entire Appalachian region and other rural environments.

Florida State University – Tallahassee, FL

Amount: \$49,990

Grant: Laura Bush 21st Century Librarians Program – Collaborative Planning Grant

Broadband adoption and access to the Internet are necessary economic development opportunities in rural America. Researchers from the Information Institute at the Florida State University, Opportunity Florida, the Panhandle Library Access Network, and community organizations in rural northwest Florida will identify strategies to promote education, instruction, and broadband planning in rural public libraries, and to create opportunities for local economic development.

Queens Borough Public Library - Jamaica, NY

Amount: \$398,855

Grant: Laura Bush 21st Century Librarians Program - Continuing Education

Queens Borough Public Library will use its grant to design and implement the Librarian Digital and Integration Gateway Project, a professional development program for 400 librarians with the purpose of improving libraries' immigrant services. The curriculum will focus on the digital literacy and integration support needs of foreign-born populations and be organized around four learning modules: Immigrant and Community Needs; Digital Tools & Technological Resources;

Immigrant Case Management; and Citizenship and Integration Support. The project will be sustained through product development and dissemination, internal in-service and turnkey training, and external visiting librarian practicums.

Cool Culture - Brooklyn, NY

Amount: \$449,800

Grant: National Leadership Grants for Museums - Community Anchors

Cool Culture will implement "Strengthening Neighborhoods' Arts Access Program" (SNAAP), a program to increase early learning outcomes through family engagement in museums. The Metropolitan Museum of Art, Brooklyn Museum, and Queens Museum of Art will serve as community anchors for 10 early learning programs in neighborhoods of high need with families living in poverty and at high risk for low educational outcomes for children. The project will build the capacity of museums and museum educators to design developmentally appropriate and culturally responsive programming, support early learning, increase family visits to cultural institutions, and guide parents in making visits enjoyable and educational.

ECHO Lake Aquarium and Science Center - Burlington, VT

Amount: \$150,000

Grant: Museums for America - Community Anchors

ECHO Lake Aquarium and Science Center will create a master plan to upgrade, maintain, and transform the Leahy Center for Lake Champlain campus. The planning process will engage the region's rapidly diversifying community in assessing their needs for accessing lake-based learning, recreation, and enjoyment. It will also inform and guide long-range planning for facility management and community interaction.

Nurture Nature Center - Easton, PA

Amount: \$76,180

Grant: Museums for America - Community Anchors

The Nurture Nature Center will conduct a community needs assessment in four Easton neighborhoods to broaden its engagement with populations at risk for natural environmental hazards. The needs assessment will discern topics of greatest concern to residents in the four neighborhoods, identify factors triggering alarm and awareness, gain a sense of general knowledge and misconceptions, learn what people want to know, and understand better how to develop comfortable ways for people to talk about problems in places where they live. The assessment process will be incorporated into the nature center's Risk to Resiliency model of community engagement and science learning about environmental hazards. This model will be applied regionally and nationally to communities that face a wide range of hazards such as flooding, wildfires, climate change, earthquakes, hurricanes, and tornadoes.

New Children's Museum - San Diego, CA

Amount: \$144,385

Grant: Museums for America - Community Anchors

The New Children's Museum will launch the LABYrith project to engage the community in the creation of a permanent art installation. The museum will convene a cross-disciplinary team to design and build the LABYrith, a climbing structure that will serve 140,000 people annually.

Objective 2.2: Partner with other federal agencies to leverage the resources of libraries and museums in advancing national priorities, including education, health, disaster preparedness, digital literacy, and economic and workforce development.

FY 2014 Associated Activities from the Strategic Plan:

- Convene meetings with agencies that have intersecting priorities with IMLS, and identify ways to solve community-wide problems and challenges and identify opportunities for coordination at the state and local levels.

FY 2014 Benchmarks and Assessing Progress:

- Establish at least three formal interagency collaborations to advance national priorities, detailing action plans and measurable performance objectives.

FY 2014 Evidence of Progress for Objective 2.2:

IMLS has continued working with other federal agencies in FY 2014, including maintaining several key partnerships originally developed in FY 2013.

U.S. Citizenship and Immigration Service (USCIS)

In June 2013, IMLS and USCIS signed a memorandum of understanding to establish a structure to distribute distribution of educational materials and training resources on immigration and citizenship. In FY 2014, activities included webinars for librarians presented by USCIS staff, coordination of USCIS field offices with libraries to support joint efforts on immigration information, and a section targeted to libraries on the USCIS website.

Consumer Financial Protection Bureau (CFPB)

In August 2013, IMLS and CFPB signed a memorandum of understanding to develop financial education tools. In FY 2014, CFPB surveyed the library community and developed financial literacy webinars. IMLS also participates in the Financial Literacy and Education Commission (FLEC).

In April 2014, IMLS formalized a partnership with the CFPB, the Federal Deposit Insurance Corporation, the Federal Reserve Bank of Chicago, and USDA's Cooperative Extension System to make financial information and educational resources available to the library-going public.

U.S. Department of Education, Office of Career, Technical and Adult Education (OCTAE)

In June 2014, IMLS and OCTAE issued a "Dear Colleague" letter urging state adult education departments to work closely with State Library Administrative Agencies after the 2013 release of Program of International Assessment of Adult Competencies (PIAAC), which documented lack of progress in enhancing adult literacy and problem-solving skills. IMLS and OCTAE developed digital literacy materials and planned webinars for FY 2015.

U.S. Department of Labor, Employment and Training Administration (ETA)

IMLS works with the Department of Labor to address workforce development challenges. IMLS

is working with ETA and the FCC to highlight how America's Job Centers and public libraries can help citizens with digital literacy and workforce development.

The Office of the First Lady: *Let's Move! Museums & Gardens*, more than 600 museums and gardens from all 50 states are participating in the First Lady's *Let's Move!* initiative. This year IMLS presented several webinars with the USDA MyPlate program, and the National League of Cities and the U.S. Department of Health and Human Services.

Objective 2.3: Ensure that public and private sector leaders have the information they need to make strategic policy and investment decisions that leverage the infrastructure and expertise of museums and libraries.

FY 2014 Associated Activities from the Strategic Plan:

- Modify grant forms to require current and future grantees to align applications to this taxonomy so that IMLS project data can readily demonstrate project impact.

FY 2014 Benchmarks and Assessing Progress:

- 90 percent of IMLS grants will identify their projects according the standardized project taxonomy.

IMLS has partially achieved this benchmark. One hundred percent of discretionary grants follow a standardized project taxonomy and are required to classify their projects at the application stage. The "Measuring Success" initiative, when fully implemented, will provide similar standardized project taxonomy for the Grants to States program activities. In FY 2014, about 16 (32 percent) of state grantees were using this taxonomy and all states will use this taxonomy in FY 2015.

FY 2014 Evidence of Progress for Objective 2.3:

Measuring Success

The "Measuring Success" initiative focused on profiling Grants to State program investments using a framework to describe library projects and associated activities. Projects were categorized by intended outcomes, such as supplementing formal learning and improving the discovery of information resources, by topical area (e.g., STEM), associated activities (e.g., instructional program), partner types (e.g., institutions of higher education), and target populations served (e.g., rural). Using common terms makes projects comparable across the states and allows the agency to highlight and monitor the impact of these investments. In FY 2014, 16 states piloted the framework in a beta reporting system and all states will apply this reporting framework in FY 2015.

IMLS grant applicants are required to code their projects by subject area and intended beneficiaries at the application stage. This process change, first introduced in FY 2013, has streamlined the grant tagging process, increased reliability and validity of administrative data, and allows for greater comparability and more detailed analysis across all IMLS grant

applications. Because the data is required of all applicants, 100 percent of projects are now categorized by project taxonomy and is available and searchable on the IMLS website.

Open Data

The agency developed a new data portal which will allow users to access and analyze IMLS data and create charts, graphs, and maps without the need of technical statistical or GIS mapping software. The site, which contains all of IMLS’s data holdings, including administrative data from its discretionary and formula grant programs, allows users to access and manipulate data files on the site using a simple internet connection. No additional software is needed. In addition to data access, each file will have its own application program interface (API), which provides developers easier access to share data across distinct applications and platforms. The beta site is being tested now and will be available in FY 2015.

3. Assessing Progress in Meeting Goal 3 Objectives

Strategic Goal 3: IMLS supports exemplary stewardship of museum and library collections and promotes the use of technology to facilitate discovery of knowledge and cultural heritage.

Too many in U.S. library and museum collections are at risk and in need of proper storage, emergency planning, and conservation treatment. IMLS helps institutions to digitize and share their collections and develop new standards and protocols to preserve and provide access to “born digital” data and objects.

The collections held in public trust in our museums, libraries, and archives are our national memory; they connect us to the cultural, artistic, historical, natural, and scientific understanding of our heritage. In order to provide wide access, high standards and best practices in collections management and preservation are essential.

IMLS shares and promotes effective practices across states and other entities. IMLS programs supplement local dollars and support management, care, and access to collections. IMLS made significant investments over the last five years to foster best practices in collections management, preservation, and digitization. IMLS must now develop effective regional and national strategies for collections care and access to content. This chart summarizes progress.

Objective 3.1: Support the care and management of the nation’s collections, both material and living, to expand and sustain access for current and future generations.	Met
Objective 3.2: Develop and implement a nationwide strategy to expand public access to the information, meaning, and content found in museum and library collections.	Met

These activities include the traditional priorities of its library, museum, and archive constituencies. IMLS is the primary federal agency providing support for collections care at the

local level. This work is critical to the success of museums and libraries, and IMLS has the knowledge to provide this support and assistance. Based on the review of completed projects, IMLS is developing an action plan for collections care training. To support digital and virtual collections, IMLS will evaluate existing activities and encourage more cost-effective and efficient use of technology to share resources, collections, and infrastructure.

Objective 3.1: Support the care and management of the nation’s collections, both material and living, to expand and sustain access for current and future generations.

FY 2014 Associated Activities from the Strategic Plan:

- Support the training of cultural heritage professionals.
- Conduct research into museum digitization practices and determine how to address areas of weakness.

FY 2014 Benchmarks and Assessing Progress:

- IMLS will develop an action plan to support training in collections care with measurable outcomes.
- IMLS will identify and share guidelines on the digitization and digital curation of collections.

IMLS has achieved these benchmarks. We support collections care through a variety of grants. One of the key activities of the IMLS multi-year initiative, “Connecting to Collections,” is the development of online training initiative (C2C Care) with over 5,700 members that provides ongoing support for collections with real-time feedback on effectiveness. We have supported several projects on digitization and digital curation and are sharing that information through publications and the IMLS website.

FY 2014 Evidence of Progress for Objective 3.1:

Digital Collections Care

Heritage Health Information 2014: A National Collections Care Survey is measuring the state of collections care and conservation in museums, libraries, and archives throughout the nation. IMLS and Heritage Preservation, Inc. worked with museum and library professionals to enhance and expand the survey involving digital collections, reflecting the vast changes since the last survey in 2014. The 2014 survey will be launched in October 2014.

Open Data

IMLS made grants to entities to work on data curation. The Council on Library and Information Resources is reviewing data management plans and policies to recommend a set of best practices for libraries developing repositories and services for data management. IMLS also made a planning grant to Purdue University for the redesign of the Data Curation Profiles Toolkit (DCPT) and a project grant to the Educopia Institute for preserving and making available supplemental research data and complex digital objects that accompany Electronic Thesis and

Dissertation (ETD) submissions. Lastly, this fall, the National Academy of Sciences will release its IMLS-funded report on career opportunities and educational requirements for digital curators.

FY 2014 Grant Examples:

Foundation of the American Institute for Conservation of Historic and Artistic Works, Inc. - Washington, DC

Amount: \$275,000

Grant : National Leadership Grants for Museums—Collections Stewardship

The Foundation of the American Institute for Conservation of Historic and Artistic Works (FAIC) will operate a community of practice focused on providing information, training, and support for those who care for collections in the United States. “Connecting to Collections Care,” or “C2C Care,” will be a free, publicly accessible resource that features discussion forums, a series of 24 new webinars on collections care topics, identified as most needed through surveys and an advisory group, links to vital resources, and an archive of 50 past webinars and associated course materials developed by the C2C Online Community (www.connectingtocollections.org). The project will issue digital badges to those who complete a designated series of webinars and submit related assignments. Needs surveys, satisfaction surveys, and outcome surveys will combine with internal and external assessments to generate concrete recommendations for future improvements to the site content and delivery of resources to end users. The project will be of immediate benefit to the more than 5,700 registered users of the C2C Online Community, as well as many more who turn to the forum, documents, and webinars to help care for collections.

Lincoln Park Zoo - Chicago, IL

Amount: \$77,773

Grant: National Leadership Grants for Museums - Collections Stewardship

Lincoln Park Zoo will upgrade and make freely available ZooMonitor, a scientific data collection tool, for monitoring the behavior of animals in zoos and aquariums. ZooMonitor will contain modules for tracking animal behavior and body condition and for conducting data analysis. The zoo will also integrate a platform for securely storing an institution's data. With these modifications, ZooMonitor will be rigorously tested by industry partners, translated for both Apple and Android devices, and made available for free public download. ZooMonitor will enable any zoo or aquarium, regardless of collection size, budget, or number of staff, to develop a routine monitoring program—improving the lives of hundreds of thousands of animals across the country and around the world.

International Species Information System - Minneapolis, MN

Amount: \$298,500

Grant: National Leadership Grants for Museums - Collections Stewardship

International Species Information System will develop three new information services for zoo veterinarians on (1) pharmaceutical dosages and safety, (2) anesthesia protocols, and (3) common medical problems. As veterinary staff record treatment outcomes and morbidity and mortality measurements, more information will become available to assist future diagnoses, provide collective information on the efficacy of various treatments for medical problems, and improve

animal health and survival.

University of Southern California Libraries - Los Angeles, CA

Amount: \$439,620

Grant: Laura Bush 21st Century Librarians Program - Continuing Education

The University of Southern California, the Autry National Center, and California State University Northridge, will use this grant to launch the L.A. as Subject Residency Program to provide continuing education opportunities for recent MLIS graduates and current staff at community-based archives throughout Southern California. These resident will receive mentoring and hands on-archival education from the primary project partners, and will then complete a series of rotations within community archives. L.A. as Subject is a research alliance of 230 historical collections dedicated to preserving and improving access to the diverse history of Southern California.

Objective 3.2: Develop and implement a nationwide strategy to expand public access to the information, meaning, and content found in museum and library collections.

FY 2014 Associated Activities from the Strategic Plan:

- Convene statewide implementation grantees to share knowledge, challenges, and best practices, and to facilitate regional working groups to continue exchanges.

FY 2014 Benchmarks and Assessing Progress:

- No specific benchmarks for FY14

FY 2014 Evidence of Progress for Objective 3.2:

Special Initiatives

From 2007 to 2012, IMLS conducted the *Connecting to Collections* Initiative to raise public awareness of the importance of caring for our treasures. IMLS then awarded Heritage Preservation a grant to analyze the Statewide Planning Grants, collections care and management, and emergency preparedness plans. Fifty-seven Statewide Planning Grants were awarded in 2008, 2009, and 2010. While individual states and territories used varied approaches in their Planning Grants, this analysis identified several common themes: an ongoing need for more quantitative data on the state of collections; a recognition that emergency and disaster preparedness must be addressed by all institutions; and a desire to broaden the base of support for collections care to ensure that future generations have access to the cultural record that has been so painstakingly collected. The full report is now available through the IMLS website.

The SHARE (SHared Access Research Ecosystem) project is run by three higher education associations: Association of Research Libraries, Association of American Universities, and Association of Public and Land-Grant Universities. SHARE will build a Notification System as a metadata store, or digest, of research release events (e.g., the release of publications, presentations, datasets, and other output from research projects) from existing but disparate sources. The SHARE Notification System will be a structured way to report and notify research release events, such as the

publication of a paper funded by a specific granting body, a presentation by a researcher at a specific university, or the submission of a dataset related to a specific grant award. Interested parties could either subscribe to the Notification System based on criteria of interest (grant, agency, university, or date range), or query a dashboard to create reports. The technical development of the Notification System will use existing code, frameworks, and vocabulary.

FY 2014 Grant Examples:

Florida Association of Museums Foundation - Tallahassee, FL

Amount: \$293,411

Grant: National Leadership Grants for Museums - Collections Stewardship

Florida Association of Museums (FAM) will refine a mentor-mentee program for Florida collections care professionals to learn best practices and develop critical collections care institutional documents. FAM will offer training on crafting collections plans and policies. This project will help approximately 100 organizations develop or improve their collections policies and emergency plans.

George Mason University - Fairfax, VA

Amount: \$390,999

Grant: National Leadership Grants for Museums - Collections Stewardship

George Mason University's Roy Rosenzweig Center for History and New Media (RRCHNM) will partner with Ideum and the University of Connecticut's Digital Media Center (UConn DMC) to develop "Omeka Everywhere," a set of software packages including mobile and touch table applications and collections viewer templates. "Omeka Everywhere" will streamline the workflows for creating and sharing digital content with online and onsite visitors and demonstrate how all institutions can implement digital exhibit elements into current and new exhibition spaces.

4. Assessing Progress in Meeting Goal 4 Objectives

Strategic Goal 4: IMLS advises the President and Congress on plans, policies, and activities that sustain and increase public access to information and ideas.

Libraries and museums play essential roles in ensuring equitable access to information for everyone, a cornerstone of economic growth and a strong democracy. Technology is changing the ways that people access and use libraries and museums. IMLS can help ensure that decision makers have the data and analysis they need to improve and modernize their services.

Progress toward objectives under this goal is summarized below.

Objective 4.1: Promote federal policies that improve access to information services for underserved communities and help to remove barriers that prevent individuals from using these services effectively.	Not Met
Objective 4.2: Identify trends and provide consistent and reliable data	Met

on museum and library services and use to ensure that federal policymakers, public and private sector leaders, and the public are aware of the critical role that libraries and museums play in our democratic society.	
Objective 4.3: Support and extend a national digital information infrastructure that leverages libraries and museums as key partners and providers of reliable, persistent, and widely available access to digital information and services.	Met

Through its statistical collection and analysis, its support of the Digital Public Library of America program, and other similar grants, IMLS provides public access to information. IMLS identifies and overcomes barriers to digital access and supports the development of a national digital infrastructure.

Objective 4.1: Promote federal policies that improve access to information services for underserved communities and help to remove barriers that prevent individuals from using these services effectively.

FY 2014 Associated Activities from the Strategic Plan:

- Survey challenges in access to information for underserved communities and differently abled individuals.

FY 2014 Benchmarks and Assessing Progress:

- IMLS will develop and report baseline measures for assessing challenges to information access for underserved communities and differently abled individuals.

IMLS has not achieved this benchmark. Although through agency activities and grants, IMLS has supported a wide variety of programs whose target audiences are underserved and include differently abled communities, the agency has not developed specific baseline measures to assess challenges to information access to those communities. The most significant efforts made toward this benchmark are work with tribal communities and advancing their access to broadband connectivity in their communities.

FY 2014 Evidence of Progress for Objective 4.1:

As part of its April 2014 public hearing, “Libraries and Broadband: Urgency and Impact,” IMLS included the perspective of the Association of Trial Archives, Libraries and Museums (ATALM) to examine the current disconnect between E-Rate and tribal libraries.

FY 2014 Grant Examples:

Frye Art Museum - Seattle, WA

Amount: \$121,824

Grant: Museums for America - Community Anchors

The Frye Art Museum will expand its arts engagement program for people living with dementia and their care partners with new program components that serve participants at later stages of the disease. The museum will offer gallery tours, art-making classes, and an interactive film program; convene a professional development conference on art, creativity and dementia; establish a student internship in creative aging with a local university; publish a report and present the results of the program pilot at conferences; and present an education workshop for caregivers and health providers on techniques for incorporating art into dementia care. Participants in the program will develop connections with care partners to reduce feelings of isolation and depression. Families, caregivers, and the health care community will learn to apply creative activities into their caregiving routines. As a result, the project will enhance quality of life for people living with dementia and their care partners.

Children's Museum of the Arts - New York, NY

Amount: \$100,680

Grant: Museums for America - Learning Experiences

The Children's Museum of the Arts will implement professional development for museum staff so they can create a supportive and accessible museum environment for children with disabilities and their families. The "Art for All" project will include: focus groups of children with disabilities and their families; staff training; a website with multimedia materials and a museum visitor guide for these families, and creating an advisory group with expertise in occupational therapy, special education and museum accessibility, and parents. By equipping staff to design and implement programs that accommodate the needs of visitors of varying abilities, the museum will engage children with special needs and their families in making and learning about art.

Objective 4.2: Identify trends and provide consistent and reliable data on museum and library services and use to ensure that federal policymakers, public and private sector leaders, and the public are aware of the critical role that libraries and museums play in our democratic society.

FY 2014 Associated Activities from the Strategic Plan:

- Develop state and regional reports on service and financial trends in museum and library services.
- Disseminate IMLS statistical data in a variety of formats to ease accessibility and promote use by lay audiences.

FY 2014 Benchmarks and Assessing Progress:

- IMLS will broaden current statistical research to include periodic, cross-sectional surveys on priority topics.

- IMLS will implement national, regional, and state reports on the state of the museum sector.
- All IMLS statistical collections on library and museum services and use will be integrated into federal statistical repositories.

IMLS has achieved these benchmarks. We have undertaken research on a variety of topics, including a Household Survey of Library and Museum use. We released the first federal file to document museums and museum-serving organizations and will refine that file in FY 2015 and in future years. We make all IMLS statistical collections available on the IMLS website and post all administrative and statistical data to Data.gov.

FY 2014 Evidence of Progress for Objective 4.2:

Research and Data Collection

IMLS worked with the Federal Communications Commission to reform the E-rate Universal Service Fund for Schools and Libraries, providing statistical data and analysis, as well as consultation on the needs of libraries in the United States. Over the past year, IMLS's Office of Planning, Research and Evaluation helped FCC to understand IMLS public library data and how it might inform the FCC's E-rate Modernization Planning.

The IMLS-funded Digital Inclusion Survey published its 2013 report in July and opened the 2014 survey to respondents in September. In addition, the survey team conducted a special speed test in August to inform the FCC about library connectivity. In April, IMLS held its first ever hearing on Libraries and Broadband with panels of experts. Finally, an IMLS-funded report by ATALM, *Digital Inclusion in Native Communities: The Role of Tribal Libraries*, gave data on the structure, activities, and needs of tribal libraries as they work to help improve broadband access and digital literacy.”

As part of the BUILD Early Learning Initiative, IMLS staff analyzed the distribution of library and museums vis-à-vis communities with concentrated poverty and high levels of linguistic isolation. While this analysis was conducted for five states in the BUILD project, IMLS staff is currently testing new geo-spatial mapping tools that can be used to display these same community indicators for the entire country. This would allow library and museum professionals to map their location against a series of socioeconomic indicators, such as child poverty, concentrated areas of low-educational attainment, high unemployment, and linguistic isolation.

IMLS released the Museum Universe Data File (MUDF) in May 2014. This file contains information about over 35,000 museums and museum-serving organizations in the United States. It is geo-referenced to improve usability and will allow IMLS to provide more granular information about museums.

In FY 2015, IMLS will focus on making this data available to more users through easy access data tools and programs.

Objective 4.3: Support and extend a national digital information infrastructure that leverages libraries and museums as key partners and providers of reliable, persistent, and widely available access to digital information and services.

FY 2014 Associated Activities from the Strategic Plan:

- Identify necessary components and partners for a national digital information infrastructure, identify which parts already exist wholly or partially, and identify key gaps.
- Align and coordinate IMLS activities with external concurrent and complementary national and statewide efforts, and continue ongoing engagement with activities such as the National Digital Stewardship Alliance, the Interagency Working Group on Digital Data, and the Digital Public Library of America.
- Focus relevant grant programs and other activities to emphasize and encourage building and extending a national digital information infrastructure.

FY 2014 Benchmarks and Assessing Progress:

- IMLS will create an action plan that (1) coordinates with other Federal efforts, and (2) aligns a share of IMLS grant programs in support of development and promotion of a national digital infrastructure.

IMLS has achieved this benchmark. The Agency has taken a leadership role in convening various federal agencies including the National Archives, the National Endowment for the Humanities, and the National Science Foundation to work together and to share and leverage federal resources to support a national digital infrastructure.

FY 2014 Evidence of Progress for Objective 4.3:

National Digital Platform

Over the past 20 years significant federal investment contributed to the growth of digital libraries of cultural and scientific content and laid the foundation for research environments capable of handling large datasets.

In April 2014, IMLS held a meeting on the national digital platform which discussed the infrastructure, bandwidth, services, tools, and content of a national digital platform.

A fully-implemented national digital library platform would offer services like access, storage, publication, training and research services to every library, museum and archives in the country.

IMLS strategic priorities include continued support for digital infrastructure and digital inclusion to foster all types of learning. Importantly, IMLS has focused on building out the national digital platform and distributing e-government information and training to help people make informed choices about health, education, work, and life.

IMLS is a member of an international coalition that support the Digging into Data program, an effort to encourage partnerships in the use of data and the development of tools in the digital humanities field. The IMLS funded three projects in 2014: Trees and Tweets: Mining Billions to Understand Human Migration and Regional Linguistic Variation (University of South Carolina); Project Arclight: Analytics for the Study of 20th Century Media (University of Wisconsin-Madison); and Mining Biodiversity (Missouri Botanical Garden).

In FY 2014, IMLS met with experts to identify necessary components and partners for a national digital platform and to identify which parts already exist wholly or partially. As a result, IMLS changed to the National Leadership Grant program guidelines and cycle in FY 2015. Even in FY 2014, IMLS used the three priorities for grants funded through the National Leadership Grant program, the Laura Bush 21st Century Librarian Program, and Sparks! Ignition Grants for libraries.

FY 2014 Grant Examples:

Digital Public Library of America – Boston, MA

Amount: \$999,485

Grant: National Leadership Grant for Libraries

The Digital Public Library of America will extend its national digital platform through a major expansion of its Service Hubs network. The grant will at least double the number of DPLA Service Hubs during this grant period. This project will have three components: 1) the DPLA Content Team will work with potential Service Hubs across the country; 2) DPLA will implement an easily accessible process to bring new content into DPLA from Service Hubs, and 3) DPLA will establish a better, shareable technology infrastructure for the fundamental pieces of the Service Hubs, so they can manage their own in-state content transfer process, metadata storage, and maintenance. This IMLS award builds on a 2012 IMLS grant to DPLA.

2014 LSTA Grants to States (Colorado State Library)

Douglas County Libraries (DCL) developed the open source DCL eBook Model to serve a single integrated library system and is now expanding the model with IMLS funds through the eVoke Colorado statewide e-book lending project. This alternative e-book system benefits from ongoing negotiations with publishers, which enable libraries to manage collections directly rather than license content through an aggregator.

2014 LSTA Grants to States (California State Library)

The Califa Library Group and Contra Costa County Library developed the enki library, a statewide consortium-owned e-book platform, which serves over 80 library jurisdictions in California, and includes features and functionality lacking in current third-party vendor models.

5. Assessing Progress in Meeting Goal 5 Objectives

Strategic Goal 5: IMLS achieves excellence in public management and performs as a model organization through strategic alignment of IMLS resources and prioritization of programmatic activities, maximizing value for the American public.

IMLS continues its commitment to improve administrative efficiencies and focus on its high-quality stewardship of public funds and outstanding public service. With its strategic plan, IMLS accomplished many activities in FY 2014 and will advance these activities in the coming year.

Progress is summarized below.

Objective 5.1: Develop an exemplary model of efficient federal grants management.	Partially Met
Objective 5.2: Cultivate a culture of planning, evaluation, and evidence-based practice to maximize the impact of public investments.	Partially Met
Objective 5.3: Promote greater transparency and accountability of IMLS operations.	Partially Met
Objective 5.4: Encourage and promote an engaged and energized IMLS workforce.	Met

Objective 5.1: Develop an exemplary model of efficient federal grants management.

FY 2014 Associated Activities from the Strategic Plan:

- Conduct process review of grant making across programs to identify efficiencies in IMLS grant review, grant management, and monitoring processes, and make appropriate changes based on the process review.
- Move to an enhanced grants management system that will increase performance monitoring capability, improve communications with applicants and grantees, fast-track grant award processing, promote greater technical and financial stewardship, and reduce inefficiencies and costs associated with delayed project implementation and repeated project extensions.

FY 2014 Benchmarks and Assessing Progress:

- IMLS will achieve a 40 percent decrease in the time to process an application from receipt of proposal to decision; by FY 2016, it will achieve a further 10 percent decrease.
- IMLS will achieve a 15 percent decrease in amount of time staff spend processing grant applications; by FY 2016 it will achieve a further 20 percent decrease.
- IMLS will achieve a 20 percent decrease in number of grants that receive one or more extensions; by FY 2016, it will achieve a further 30 percent decrease.
- IMLS will establish baseline measures for grantee satisfaction with IMLS’s new grant management information system.
- IMLS will have established a customer satisfaction baseline for online report training and will establish new targets for succeeding years.

IMLS developed these specific benchmarks in FY 2011 for the IMLS FY 2012 – 2016 Strategic Plan. At that time IMLS anticipated implementing an enhanced electronic grants management

system in FY 2012/2013; however, that has still not happened, and therefore these specific benchmarks have not all been met. IMLS has been able to reduce the number of grants that receive an extension through increased communication and reporting to our grantees and timely closeouts. IMLS has improved efficiencies in other areas of grants management, as noted below.

FY 2014 Evidence of Progress for Objective 5.1:

- The State Program Manual (“Extranet”) is an online resource for SLAA personnel who administer LSTA Grants to States program or the Competitive Grants to Territories and Freely Associated States. The Extranet includes statutory and regulatory requirements, yearly award guidance outlining new grant requirements, standard reporting forms and procedural information, complying with federal cost principles and other requirements, and evaluating projects and services. In FY 2014, IMLS disseminated an OMB- approved survey to users of the Extranet and compiled responses to overhaul of the site. New content was also released to support 16 states piloting the new State Program Report system.
- IMLS established an interdepartmental group to respond to new government-wide grant requirements as outlined in the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.*” (78 FR 78590–78691) (“Grant Reform”). The working group created new formats to support the issuance of FY 2015 Notices of Funding Opportunities for all museum and library discretionary grant programs.
- IMLS implemented several substantive improvements in its application processing and grants management functions, resulting in greater efficiencies for program staff. These included changes to standard application forms for greater efficiency in the data entry process; full implementation of electronic award notices for all grant programs; and the development of a comprehensive reviewer database for museum programs.

Objective 5.2: Cultivate a culture of planning, evaluation, and evidence-based practice to maximize the impact of public investments.

FY 2014 Associated Activities from the Strategic Plan:

- Increase transparency and accessibility of IMLS data.
- Redesign performance reporting forms for discretionary grant programs in a manner that limits reporting to outcome measures that align with program priorities and relieves the overall reporting burden on grantees.
- Work with State Library Administrative Agencies to develop a robust measurement system that tracks state (or local) progress toward the goal(s) of their five-year plans in alignment with IMLS’s strategic plan, identifies effective and ineffective strategies, and ensures that cross-state data are standardized.

FY 2014 Benchmarks and Assessing Progress:

- IMLS will implement an interactive online clearinghouse for sharing planning and evaluation information for museum and library services.
- IMLS will implement revised planning and performance monitoring protocols for 60 percent of the IMLS grant portfolio.
- 100 percent of all states and jurisdictions will participate in new performance reporting protocols.

IMLS has partially achieved these benchmarks. IMLS shares planning and evaluation information on its website but is developing a more robust clearinghouse which is part of the FY 2015 website redesign. The agency has implemented revised planning and performance protocols for all discretionary grants that represents 50 percent of its grant portfolio. In FY 2014, 32 percent of the states participated in new performance reporting protocols, with 100 percent participation slated for FY 2015.

FY 2014 Evidence of Progress for Objective 5.2:

- The new State Program Report (SPR) system was released for use to 16 states in FY 2014. The new SPR allows for consistent reporting of programs, projects, activities as well as evaluation and monitoring of outcomes. When rolled out to all states in FY 2015, all states can use the system for enhanced planning and project management, tying annual programs and expenditures to their 5-year plans.

Objective 5.3: Promote greater transparency and accountability of IMLS operations.**FY 2014 Associated Activities from the Strategic Plan:**

- Develop a plan for sharing grant information with the public, including applications, grant performance reporting, and post-award analysis of success in meeting objectives.
- Initiate regular applicant and grantee customer satisfaction surveys with application and reporting guidelines.
- Develop and implement an improved, regularized customer satisfaction survey process for reviewers to monitor the efficiency of the review process and identify ways to improve IMLS grant making.

FY 2014 Benchmarks and Assessing Progress:

- At least 70 percent of reports from FY 2008 to FY 2013 will be posted on the IMLS web site.
- IMLS will establish a baseline measure of applicant and grantee satisfaction with IMLS grantmaking processes.
- IMLS will establish a baseline measure of reviewer satisfaction with IMLS grantmaking processes.

IMLS has partially achieved these benchmarks. Final grant reports are not available on the IMLS website. The agency is planning to provide access to final grant reports when implementation of the new online grant management system, eGMS, is completed in FY 2015. We have made many modifications to the grant application and reviewer process to facilitate a more positive experience for both audiences but have not established baseline satisfaction measures. Agency staff has made great strides in making IMLS processes and information as transparent and accessible as possible.

FY 2014 Evidence of Progress for Objective 5.3:

- Developed web pages to profile each state and highlight their IMLS-related information. The new pages consolidate each of the states' five-year plans, five-year evaluations, project examples, survey data, and allotments. They also feature exemplary grant-funded projects and link to newly published interviews with state librarians that discuss their five-year evaluations, five-year plans, and lessons learned.
- Introduced the use of DropBox as a means of distributing proposals to reviewers, reducing the time spent by IMLS staff and making access simpler and easier for reviewers, all at a minimum cost.
- Extended the range and number of reviewers to address the variety of applications received; IMLS now collects information about reviewers and their areas of expertise.
- Awarded all "green lights" by the Department of Justice for IMLS's Freedom of Information Act program. IMLS was one of just seven agencies to be awarded all "green lights."
http://www.justice.gov/sites/default/files/pages/attachments/2014/09/12/2014_cfo_summary_and_assessment_0.pdf
- Proposed and published revisions to agency regulations under the Freedom of Information Act to describe how IMLS processes requests for records under FOIA and reaffirm the agency's commitment to providing the fullest possible disclosure of records to the public. The agency's proposed FOIA regulations were featured in December in the Center for Effective Government's Best Practices for agency's FOIA Regulations. See <http://www.foreffectivegov.org/files/info/foia-best-practices-guide.pdf>.
- Launched a new Open Data page summarizing the agency's commitment to open data and information sharing: <http://www.imls.gov/data/>. This page includes a link to IMLS's data catalog, which describes, in both human and machine-readable forms, all of the agency's datasets that can be made publicly available. <http://www.imls.gov/data.json>
- In addition, data sets from the IMLS statistical program are updated annually in the DATA.GOV portal: <http://catalog.data.gov/organization/imls-gov>
- IMLS posted a new dataset of administrative records containing information regarding all discretionary grant recipients who were awarded funds by the agency from fiscal year 1996 through fiscal year 2013. http://www.imls.gov/research/administrative_discretionary_grant_data.aspx
- Expanded the amount of information disclosed regarding a major grant program, by releasing Sparks! Ignition Grants for Libraries and Museums White Papers. It is available

for 2011 awards through online search tool:

<http://www.ims.gov/recipients/grantsearch.aspx>

- Explored increasing public disclosure of information regarding the IMLS Grants to States Program. Last year, IMLS drew information from a password-protected database of funded projects and made them available to the general public, and added a new section to its website on the Measuring Success initiative. This year, IMLS has increased public access to information by developing new state-level profiles containing data on the use of Grants to States funds by each state.
- In response to the President's Executive Order on Making Open and Machine Readable the New Default for Government Information, IMLS created a new <http://www.ims.gov/data> webpage; conducted an internal audit of all available datasets within the agency; and created a machine-readable data catalog of the agency's datasets. <http://www.ims.gov/data.json>
- IMLS has updated its website to improve usability and navigability of the IMLS statistical data. The site now has an initial landing page with brief descriptions of each data collection. When users click on the description, they are sent to a more detailed description that outlines the purpose, coverage, content, frequency, methods and utility of the data. Each survey description page also has links to data definition and survey design details. http://www.ims.gov/research/data_collection.aspx
- IMLS has made its statistical collections data available in a wider variety of formats, IMLS made its statistical collections data files available as CSV, XLS, Flat Files, and SAS files, and posted geospatial data files in multiple formats.
- IMLS has sought public comment on how to improve its website. In 2013, IMLS posted two data sets of particular importance to the museum and library community. Before posting the data files, the agency included geospatial information. To maximize the utility of these data sets for the public, the agency created two specific data challenges for citizen hackers in connection with the first National Day of Civic Hacking. The event brought together citizens from around the country to work with local, state, and federal governments—as well as private sector organizations—with the common goal of improving their community through technology. <http://hackforchange.org/challenge/public-library-challengemuseum-data-challenge-2-challenges>
- IMLS has begun developing a standard format for final reports from all IMLS discretionary grant programs, with a goal of eventually making such reports publicly available. A standardized format will increase the usability and analysis of individual reports, and will support batch analysis of reports.

Objective 5.4: Encourage and promote an engaged and energized IMLS workforce.

FY 2014 Associated Activities from the Strategic Plan:

- Develop agency-wide training that is tied to agency mission and goals.
- Centralize IMLS training priorities to promote greater personal learning and development, increasing our subject matter expertise to further the agency's mission and goals.

FY 2014 Benchmarks and Assessing Progress:

- IMLS will have at least 90 percent employee participation in IMLS high-priority trainings. IMLS partially met this goal with the introduction of our AgLearn training system, and we anticipate a more robust roll-out of this system in FY 2015. Staff attended required training for their job descriptions and the agency met its statutory training requirements such as No Fear Act, Ethics, Supervisory, Managerial and Executive training, and Computer Security Awareness.
- IMLS will have achieved 60 percent of the employee engagement plan's objectives. IMLS met this benchmark; the Agency was able to implement its Learning Management System for 100 percent of its workforce that linked directly to critical competencies measured and evaluated by OPM, OMB, and EEOC.

FY 2014 Evidence of Progress for Objective 5.4:

- IMLS achieved full compliance with its annual ethics training requirements. The agency was recognized by the Office of Government Ethics (OGE) for (1) its leadership's concrete actions to demonstrate commitment to ethics and promote an ethical culture; and (2) its training content and delivery methods as model practices. The Institute's director participated in this year's staff training, and the agency's general counsel was asked to serve on a leadership panel at OGE's 2014 Ethics Summit.
- In 2014, the Office of Human Resources (OHR) continued its efforts to adopt and cultivate knowledge management practice, capturing the current knowledge of our highly skilled and talented workforce to mitigate the operational gaps caused by voluntary or involuntary attrition. Additionally, IMLS continued to increase staff expertise. In 2014 IMLS secured the services of a resident executive consultant to reduce the gaps identified in our 2013 EVS and 2012 OPM Leadership 360™ results, and to work with the IMLS Executive Leadership Team. OHR scheduled monthly supervisory training forums, covering topics such as prohibited personnel practices, merit systems principles, performance management, Equal Employment Opportunity, and diversity and inclusion.
- IMLS implemented a learning management system (LMS) through a Memorandum of Understanding (MOU) with the United States Department of Agriculture (USDA) for use of its AgLearn system. OHR deployed the LMS in the first quarter of FY 2014, within scope and below budget. IMLS is one of a few Small Agency Council (SAC) members to have a learning management system.
- The IMLS Workforce Engagement (WE) Team planned activities to raise money for the Combined Federal Campaign (CFC), develop and train staff on Emergency Preparedness, coordinating team events for the 2014 Feds Feed Families Campaign, in which IMLS donated 1,900 pounds to the Capital Area Food Bank, and supporting the First Lady's *Let's Move!* Initiative with creative and healthy activities such as the IMLS summer steps challenge. In total, IMLS staff walked over 41 million steps this summer.

B. Additional Management Highlights

Financial, Procurement, and Grants Management

Financial

IMLS continued to use the Federal Aviation Administration – Enterprise Services Center (FAA-ESC) for its accounting and financial reporting requirements. Using a Financial Management Line of Business (FMLOB) Center of Excellence has significant benefits, including a reduction in the need for additional full-time employees and reduced overhead costs.

In addition, IMLS uses these other federal government shared service providers:

- Department of Transportation for E-travel services;
- General Services Administration (GSA) for agency purchase and travel credit cards; and
- Department of Interior – National Business Center for payroll services and the negotiation of indirect cost grant proposals.

These partnerships result in cost savings and operational efficiencies, access to timely budgetary and financial reporting, and information necessary for agency and programmatic decisions.

Grants

IMLS has entered into an Interagency Agreement with NEA and NEH on the deployment of NEH's new Electronic Grants Management System (eGMS). Based on the revised production schedule, IMLS anticipates being active in eGMS in the next two years.

IMLS began conforming its grant operations to the new *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. IMLS formed an internal team to interpret, implement, and train internal and external audiences on these new requirements.

Procurement

IMLS is committed to fiscal stewardship and its dedication to its small business partners. Moreover, the number of contract actions decreased by 16 from 85 to 69. In FY 2014, IMLS reduced the use of high-risk contract types (i.e., non-competitive awards or contract types other than firm-fixed price). The use of firm-fixed price contract increased year over year by 7 percent from 78 percent to 85 percent. Similarly, the agency increased competitive actions from 87 percent to 93 percent.

Through consolidation, federal strategic sourcing, and negotiation, the agency achieved cost savings of over 8 percent. The costs savings were achieved while significantly exceeding the agency's small business goals. Compared to the Small Business Administration's goal to award 23 percent of awards to small businesses, the agency awarded 76 percent of contracts to small businesses. On average, the agency increased awards to Disadvantaged, Service Disabled Veteran Owned, Woman-Owned, and HUB-Zone Small Businesses by over 280 percent.

Information Technology

The Office of the Chief Information Officer (OCIO) stayed aligned with NIST and FISMA standards. The agency took major steps to develop their Information Security Monitoring Strategy, which is the focus of the new NIST guidance, and an Administration management initiative. The OCIO continues to perform network analysis, penetration testing, and makes efforts to combat ever growing cyber security threats. The OCIO upgraded and expanded on IMLS's wireless network to promote a more flexible and mobile work environment for staff. In addition, a detailed network analysis was completed to combat the growing demand for speed and increased use of network resources and new technologies. As a result of this analysis, the agency's network utilization capabilities have increased, and the OICO has begun to research and procure the necessary hardware and software solutions.

The OCIO also established an electronic workflow for the processing of all agency purchase requests in SharePoint, which is now the main repository for agency documents. This has saved time and money from purchase request processing.

The agency continued its efforts to address the new Records Management directive issued by NARA. The OCIO began assessing cloud services and its capabilities for storage and archiving of IMLS records. The results of the assessment will guide the decision making process and implementation of services.

3. Financial Information

A Message from the Chief Financial Officer

On behalf of the Institute of Museum and Library Services, it is my pleasure to join with Director Hildreth in presenting the Institute's *FY 2014 Performance and Accountability Report*. This report is an integrated presentation of our programmatic, financial, and operational achievements during the past year.

The independent audit of our financial statements has been completed, and I am pleased to report that the Institute received a ninth consecutive unqualified opinion, with no material weaknesses. This is a reflection of the organization's continued emphasis on strengthening internal controls.

In Fiscal Year 2014, there were no significant changes or issues in the Institute's financial operations or systems. We continued our successful partnership with the Federal Aviation Administration – Enterprise Services Center (FAA-ESC) for our accounting and financial reporting services. The ability to partner with one of the Office of Management and Budget's designated Centers of Excellence affords us the opportunity to receive the numerous benefits a shared service provider can offer, at affordable costs.

During Fiscal Year 2015, we will continue to improve operational efficiencies, strengthen internal controls, and optimize the use of improved technology. The agency is continuing to move forward on its efforts to address our need for a web-based grants management system and further leverage our newly implemented web-based staff training system to maximize our resources while lowering overall training costs.

We are confident that our financial systems and operations will continue to support the Institute's mission to effectively and efficiently reach our intended outcomes. I want to extend my sincere thanks and appreciation to all of the dedicated staff at IMLS whose commitment and effort made this past year a success, your work is recognized and appreciated.



Christopher A. Catignani
Chief Financial Officer

November 12, 2014

**Institute of Museum and Library Services
Audit of Financial Statements**

As of and for the Years Ended

September 30, 2014 and 2013

Submitted By

Leon Snead & Company, P.C.

Certified Public Accountants & Management Consultants

Institute of Museum and Library Services

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Independent Auditor's Report

Susan Hildreth, Director
Institute of Museum and Library Services

We have audited the accompanying balance sheets of the Institute of Museum and Library Services (IMLS), as of September 30, 2014 and 2013, and the related statements of net cost, changes in net position and budgetary resources (the financial statements) for the years then ended. The objective of our audit was to express an opinion on the fair presentation of those financial statements. In connection with our audit, we also considered the IMLS' internal control over financial reporting and tested the IMLS' compliance with certain provisions of applicable laws, regulations, contracts and grant agreements that could have a direct and material effect on its financial statements.

SUMMARY

As stated in our opinion on the financial statements, we found that the IMLS' financial statements as of and for the years ended September 30, 2014 and 2013, are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

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

As a result of our tests of compliance with certain provisions of laws, regulations, and significant provisions of contracts and grant agreements, nothing came to our attention that caused us to believe that IMLS failed to comply with applicable laws, regulations, contracts or grant agreements that have a material effect on the financial statements insofar as they relate to accounting matters.

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of IMLS, which comprise the balance sheets as of September 30, 2014 and 2013, and the related statements of net cost, statements of changes in net position and statements of budgetary resources for the years then ended, and the related notes to the financial statements.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IMLS as of September 30, 2014 and 2013, and the related net cost, changes in net position, and budgetary resources for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America; standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and pertinent provisions of OMB Bulletin 14-02, *Audit Requirements for Federal Financial Statements* (the OMB audit bulletin). Those standards and the OMB audit bulletin require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

REQUIRED SUPPLEMENTARY INFORMATION

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

OTHER ACCOMPANYING INFORMATION

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The performance measures and other accompanying information are presented for the purposes of additional analysis and are not required parts of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

OTHER AUDITOR REPORTING REQUIREMENTS

Report on Internal Control

In planning and performing our audit of the financial statements of IMLS as of and for the years ended September 30, 2014 and 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the IMLS' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the IMLS' internal control. Accordingly, we do not express an opinion on the effectiveness of the IMLS' internal control.

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

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

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

Report on Compliance

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

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

Restricted Use Relating to Reports on Internal Control and Compliance

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

laws, regulations, contracts or grant agreements. The two sections of the report referred to above are integral parts of an audit performed in accordance with *Government Auditing Standards* in considering the IMLS' internal control over financial reporting and compliance. Accordingly, those sections of the report are not suitable for any other purpose.

Agency Comments and Auditor Evaluation

In commenting on the draft of this report, the management of IMLS concurred with the facts and conclusions in our report. A copy of management's response accompanies this report.

Leon Snead & Company, P.C.

November 7, 2014

DIRECTOR
INSTITUTE OF MUSEUM AND LIBRARY SERVICES
WASHINGTON, DC 20036-5802

November 7, 2014

Ms. Pat Layfield
Senior Audit Manager
Leon Snead & Company
416 Hungerford Drive, Ste 400
Rockville, MD 20850

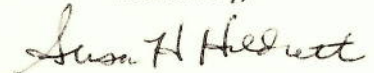
Dear Ms. Layfield,

Thank you for managing the audit of the Institute of Museum and Library Services' fiscal year 2014 financial statements.

We concur with the facts and conclusion of your report, and are pleased to learn of the unqualified opinion on our financial statements and related notes. Your work helped validate the success of our continuing efforts to enhance IMLS' financial management systems and improve internal controls.

We appreciate the time and effort committed by you and your colleagues who worked on the audit. The professionalism of the audit team continues to be exemplary, and was instrumental in our efforts to complete the deliverables in a timely manner.

Yours truly,



Susan H. Hildreth
Director

Cc: Chris Catignani, Chief Financial Officer

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

BALANCE SHEET

As of September 30, 2014 and 2013

(in dollars)

Assets:	<u>2014</u>	<u>2013</u>
Intragovernmental:		
Fund balance with Treasury (note 2)	\$ 283,046,497	\$ 294,135,197
Other - Advances (note 4)	32,303	373,959
Total intragovernmental	283,078,800	294,509,156
Accounts Receivable	-	-
General property, plant and equipment, net (note 3)	92,298	279,487
Other - Grant Advances (note 4)	5,624,676	3,979,808
Total assets	\$ 288,795,774	\$ 298,768,451
Liabilities (note 5):		
Intragovernmental:		
Other (note 6)	\$ 1,037,037	\$ 1,030,840
Total intragovernmental	1,037,037	1,030,840
Accounts payable	219,495	400,802
Other (note 6)	711,673	635,726
Other - Grant Accrual (note 6)	43,238,476	50,937,372
Total liabilities	45,206,681	53,004,740
Commitments and contingencies	-	-
Net position:		
Unexpended appropriations - other funds	242,791,519	244,403,274
Cumulative results of operations - Funds from Dedicated Collections (Combined (note 7))	338,826	802,776
Cumulative results of operations - other funds	458,748	557,661
Total net position	243,589,093	245,763,711
Total liabilities and net position	\$ 288,795,774	\$ 298,768,451

The accompanying notes are an integral part of these statements

INSTITUTE OF MUSEUM AND LIBRARY SERVICES
STATEMENT OF NET COST
For the Years Ended September 30, 2014 and 2013
(in dollars)

Program costs: (note 8 & 9)	<u>2014</u>	<u>2013</u>
Goal 1: Supporting lifelong learning		
Gross costs	\$ 89,635,592	\$ 101,681,550
Less: Earned revenue	-	-
Net Program Costs	<u>89,635,592</u>	<u>101,681,550</u>
Goal 2: Promoting museums and libraries as strong community anchors		
Gross costs	\$ 60,216,401	\$ 70,101,911
Less: Earned revenue	-	-
Net Program Costs	<u>60,216,401</u>	<u>70,101,911</u>
Goal 3: Supporting exemplary stewardship of museum and library collections		
Gross costs	\$ 74,219,051	\$ 83,197,313
Less: Earned revenue (note 10)	(673,841)	(1,622,916)
Net Program Costs	<u>73,545,210</u>	<u>81,574,397</u>
Goal 4: Sustaining and increasing public access to information and ideas		
Gross costs	\$ 1,999,331	\$ 1,177,562
Less: Earned revenue	-	-
Net Program Costs	<u>1,999,331</u>	<u>1,177,562</u>
Net Cost of Operations	<u><u>\$ 225,396,534</u></u>	<u><u>\$ 254,535,420</u></u>

The accompanying notes are an integral part of these statements

INSTITUTE OF MUSEUM AND LIBRARY SERVICES
STATEMENT OF CHANGES IN NET POSITION
For the Years Ended September 30, 2014 and 2013
(in dollars)

	2014			2013		
	Funds from Dedicated Collections (Combined (note 7))	All Other Funds	Consolidated Total	Funds from Dedicated Collections (Combined (note 7))	All Other Funds	Consolidated Total
Cumulative Results Of Operations:						
Beginning Balances	\$ 802,776	\$ 557,662	\$ 1,360,438	\$ 824,602	\$ 378,864	\$ 1,203,466
Adjustments:						
Changes in accounting principles	-	-	-	-	-	-
Corrections of errors	-	-	-	-	-	-
Beginning Balance, as adjusted	802,776	557,662	1,360,438	824,602	378,864	1,203,466
Budgetary Financing Sources:						
Appropriations Used	-	224,294,483	224,294,483	-	253,535,253	253,535,253
Nonexchange Revenue	-	-	-	-	-	-
Donations of Cash and Cash Equivalents (note 17)	62,140	-	62,140	748,232	-	748,232
Transfers in/out without reimbursement	-	-	-	-	-	-
Other	-	-	-	-	-	-
Other Financing Sources (Non-Exchange):						
Imputed financing	-	477,047	477,047	-	408,906	408,906
Total Financing Sources	62,140	224,771,530	224,833,670	748,232	253,944,159	254,692,391
Net Cost of Operations	526,090	224,870,444	225,396,534	770,058	253,765,362	254,535,420
Net Change	(463,950)	(98,914)	(562,864)	(21,826)	178,797	156,971
Cumulative Results Of Operations	338,826	458,748	797,574	802,776	557,661	1,360,437
Unexpended Appropriations:						
Beginning Balance	-	244,403,274	244,403,274	-	281,897,866	281,897,866
Adjustments:						
Changes in accounting principles	-	-	-	-	-	-
Corrections of errors	-	-	-	-	-	-
Beginning Balance, as adjusted	-	244,403,274	244,403,274	-	281,897,866	281,897,866
Budgetary Financing Sources:						
Appropriations Received	-	226,860,000	226,860,000	-	231,953,777	231,953,777
Appropriations transferred in/out	-	-	-	-	-	-
Other Adjustments	-	(4,177,272)	(4,177,272)	-	(15,913,116)	(15,913,116)
Appropriations Used	-	(224,294,483)	(224,294,483)	-	(253,535,253)	(253,535,253)
Total Budgetary Financing Sources	-	(1,611,755)	(1,611,755)	-	(37,494,592)	(37,494,592)
Total Unexpended Appropriations	-	242,791,519	242,791,519	-	244,403,274	244,403,274
Net Position	\$ 338,826	\$ 243,250,267	\$ 243,589,093	\$ 802,776	\$ 244,960,935	\$ 245,763,711

The accompanying notes are an integral part of these statements

INSTITUTE OF MUSEUM AND LIBRARY SERVICES
STATEMENT OF BUDGETARY RESOURCES
For the Years Ended September 30, 2014 and 2013
(in dollars)

	2014	2013
	Budgetary	Budgetary
Budgetary Resources:		
Unobligated balance, brought forward, October 1	\$ 8,658,510	\$ 9,822,431
Adjustment to unobligated balance brought forward, October 1 (+ or -)	-	-
Unobligated balance brought forward, October 1, as adjusted	8,658,510	9,822,431
Recoveries of prior year unpaid obligations	2,700,928	3,722,360
Other changes in unobligated balance (+ or -)	(4,177,273)	(3,780,541)
Unobligated balance from prior year budget authority, net	7,182,165	9,764,250
Appropriations (discretionary and mandatory)	226,922,140	220,569,434
Spending authority from offsetting collections (discretionary and mandatory)	872,147	96,472
Total Budgetary Resources	\$ 234,976,452	\$ 230,430,156
 Status of Budgetary Resources:		
Obligations incurred (note 11)	\$ 228,596,520	\$ 221,771,646
Unobligated balance, end of year:		
Apportioned	3,059,409	2,769,379
Exempt from apportionment	290,891	254,391
Unapportioned	3,029,632	5,634,740
Total unobligated balance, end of year	6,379,932	8,658,510
Total Budgetary Resources	\$ 234,976,452	\$ 230,430,156
 Change in Obligated Balance:		
Unpaid obligations:		
Unpaid obligations, brought forward, October 1	\$ 285,476,686	\$ 320,204,536
Adjustment to unpaid obligations, start of year (+ or -)	-	-
Obligations incurred	228,596,520	221,771,646
Outlays (gross) (-)	(234,705,713)	(252,777,136)
Actual transfers, unpaid obligations (net) (+ or -)	-	-
Recoveries of prior year unpaid obligations (-)	(2,700,928)	(3,722,360)
Unpaid obligations, end of year	276,666,565	285,476,686
Uncollected payments:		
Uncollected customer payments from Federal sources, end of year	-	-
Memorandum (non-add) entries:		
Obligated balance, start of year (+ or -)	\$ 285,476,686	\$ 320,204,536
Obligated balance, end of year (+ or -)	\$ 276,666,565	\$ 285,476,686
 Budget Authority and Outlays, Net:		
Budget authority, gross (discretionary and mandatory)	\$ 227,794,287	\$ 220,665,906
Actual offsetting collections (discretionary and mandatory) (-)	(872,147)	(96,472)
Change in uncollected customer payments from Federal sources (discretionary and mandatory) (+ or -)	-	-
Budget authority, net (discretionary and mandatory)	\$ 226,922,140	\$ 220,569,434
 Outlays, gross (discretionary and mandatory)	 \$ 234,705,713	 \$ 252,777,136
Actual offsetting collections (discretionary and mandatory) (-)	(872,147)	(96,472)
Outlays, net (discretionary and mandatory)	233,833,566	252,680,664
Distributed offsetting receipts (-)	(62,140)	(748,232)
Agency outlays, net (discretionary and mandatory)	\$ 233,771,426	\$ 251,932,432

The accompanying notes are an integral part of these statements

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2014 and 2013

(in dollars)

Note 1 Significant Accounting Policies

The Financial Statements are presented in accordance with the accounting principles, reporting standards, and circulars of the principal central agencies of the Department of Treasury (Treasury); the Government Accountability Office (GAO); and the Office of Management and Budget (OMB).

A. Basis of Presentation

The financial statements have been prepared to report the financial position and results of operations of the Institute of Museum and Library Services (IMLS) as required by the Accountability of Tax Dollars Act of 2002 (ATDA), Public Law No. 107-289. The statements have been prepared from the books and records of IMLS in accordance with the form and content for entity financial statements, as specified by OMB Circular A-136, Financial Reporting Requirements, and IMLS accounting policies, which are summarized in this note. This statement differs from agency financial management reports also prepared by IMLS pursuant to OMB directives that are used to monitor and control IMLS' use of budgetary resources.

B. Reporting Entity

The Institute is the primary source of federal support for the nation's 123,000 libraries and 35,000 museums. The mission of IMLS is to inspire libraries and museums to advance innovation, lifelong learning, and cultural and civic engagement. We provide leadership through research, policy development, and grant making. IMLS supports key issues of national concern.

The activities of IMLS are authorized by Chapter 72 of Title 20 of the U.S. Code ([20 USC Section 9101 *et seq.*](#)), which codifies the Museum and Library Services Act, as amended, as well as Section 80r-5(b) of Title 20 of the U.S. Code (20 USC Section 80r-5(b)), which codifies the National Museum of African American History and Culture Act.

As a federal agency administering discretionary federal programs, IMLS receives its funding through the indefinite appropriation process. It is one of several independent agencies whose spending limits each year are established in the Labor, Health and Human Services, Education, and Related Agencies Appropriations Act.

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2014 and 2013

(in dollars)

C. Budgets and Budgetary Accounting

The activities of IMLS are authorized by Chapter 72 and Section 80r-5(b) of Title 20 of the U.S. Code. As a federal agency that administers discretionary programs, IMLS is funded through the indefinite appropriations process. IMLS's function is to support museum and library services.

D. Basis of Accounting

Transactions are recorded on an accrual accounting basis and budgetary basis. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash. Budgetary accounting facilitates compliance with legal constraints and controls over the use of Federal funds.

E. Fund Balance with Treasury and Cash

Cash receipts and disbursements are processed by the U.S. Department of the Treasury. IMLS does not maintain cash in commercial bank accounts. Funds with Treasury are available to pay current liabilities and finance authorized purchase obligations.

F. Advances and Prepayments

IMLS records grant payments for work not yet performed at year-end as advances. As advances are liquidated in subsequent fiscal years, they are recorded as expenses.

G. Revenues and Other Financing Sources

IMLS receives funding through annual Congressional appropriations from the budget of the United States. In addition, IMLS was granted the authority to accept donations and to invest in interest-bearing accounts. These donations, which constitute funds from dedicated collections, may be restricted as to the purpose or time period for which they are provided.

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2014 and 2013

(in dollars)

H. Non-Entity Assets and Liabilities

Non-entity assets are defined as those assets that are held and managed by IMLS but are not available to finance IMLS operations. An amount equal to the non-entity assets is recognized as an entity liability under Other Liabilities.

I. General Property, Plant and Equipment

IMLS' policy is to depreciate property, plant and equipment over the estimated useful life of the asset using the straight-line depreciation method. IMLS' capitalization threshold is \$75,000 for individual purchases and \$100,000 for aggregate purchases with a minimum \$2,500 per item. Estimated useful lives by asset class are as shown below:

<u>Asset Class</u>	<u>Useful Life</u>
Computer equipment & software	3 years
Office equipment	5 years
Furniture	7 years
Leasehold improvement	Lease Term

J. Liabilities

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

K. Accounts Payable

Accounts payable consists of amounts owed to other federal agencies and commercial vendors. Accounts payable to commercial vendors are expenses for goods and services received but not yet paid by IMLS.

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2014 and 2013

(in dollars)

L. Annual, Sick, and Other Leave

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

M. Retirement Plans

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

All employees are eligible to contribute to the Thrift Savings Plan (TSP). For those employees participating in FERS, a TSP account is automatically established and IMLS makes a mandatory one percent contribution to this account. In addition, IMLS makes matching contributions, ranging from one to four percent, for FERS-eligible employees who contribute to their TSP accounts. Matching contributions are not made to the TSP accounts established by CSRS employees.

N. Imputed Benefit Costs

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

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2014 and 2013

(in dollars)

O. Use of Estimates

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

The grant accrual amount is computed using the straight line method. The average monthly expenditure is calculated by dividing the available grant balance by the remaining months based on the grant end date, except for the LSTA Grants to States. The Grants to States accrual estimate is based on IMLS performing a data call to each State Library Agency to obtain their accrual estimates for the reporting period for all open grants. The Grants to States program alone represents over 70% of IMLS program funds and from a cost/benefit perspective is the only program that can employ the data call approach because of the lower volume of grants.

P. Federal employee and veteran benefits

There are no federal employee and veteran benefits liabilities that require disclosure.

Q. Commitments and Contingencies

There are no commitments or contingencies that require disclosure.

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2014 and 2013

(in dollars)

Note 2 Fund Balance with Treasury

	2014		
Intragovernmental:	Entity	Non-Entity	Total
Trust Fund	\$ 373,380	\$ -	\$ 373,380
Investments	-	-	-
Annual Appropriated Fund	276,999,679	-	276,999,679
No Year Appropriated Funds	5,673,438	-	5,673,438
Treasury Misc. Receipts	-	-	-
Total	<u>\$ 283,046,497</u>	<u>\$ -</u>	<u>\$ 283,046,497</u>

	2013		
Intragovernmental:	Entity	Non-Entity	Total
Trust Fund	\$ 794,552	\$ -	\$ 794,552
Investments	-	-	-
Annual Appropriated Fund	286,279,735	-	286,279,735
No Year Appropriated Funds	7,060,910	-	7,060,910
Treasury Misc. Receipts	-	-	-
Total	<u>\$ 294,135,197</u>	<u>\$ -</u>	<u>\$ 294,135,197</u>

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2014 and 2013

(in dollars)

Status of Fund Balance with Treasury:	2014
Unobligated Balance	
Available	\$ 3,350,300
Unavailable- No Year / Admin	37,439
Unavailable- No Year / Program	524,191
Unavailable- Annual Funds	2,468,002
Obligated Balance Not Yet Disbursed	276,666,565
Total	<u>\$ 283,046,497</u>

Status of Fund Balance with Treasury:	2013
Unobligated Balance	
Available	\$ 3,023,770
Unavailable- No Year / Admin	64,470
Unavailable- No Year / Program	1,095,578
Unavailable- Annual Funds	4,474,693
Obligated Balance Not Yet Disbursed	285,476,686
Total	<u>\$ 294,135,197</u>

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2014 and 2013

(in dollars)

Note 3 General Property, Plant & Equipment

Major Class	2014		
	Acquisition Value	Accumulated Amortization	Net Book Value
Leasehold Improvements	\$ 937,598	\$ 845,300	\$ 92,298
Equipment	<u>383,842</u>	<u>383,842</u>	<u>-</u>
Total PP&E	<u>\$ 1,321,440</u>	<u>\$ 1,229,142</u>	<u>\$ 92,298</u>

Major Class	2013		
	Acquisition Value	Accumulated Amortization	Net Book Value
Leasehold Improvements	\$ 937,353	\$ 660,939	\$ 276,414
Equipment	<u>383,842</u>	<u>380,769</u>	<u>3,073</u>
Total PP&E	<u>\$ 1,321,195</u>	<u>\$ 1,041,708</u>	<u>\$ 279,487</u>

The leasehold improvements include amounts from a 10 year occupancy agreement with GSA and capitalized costs from a Reimbursable Work Agreement when the agency consolidated space in FY 2013. The leasehold improvements will be fully depreciated in FY 2015.

The equipment consists of information technology equipment and furniture. All of those assets have been fully depreciated.

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2014 and 2013

(in dollars)

Note 4 Other Assets

	<u>2014</u>	<u>2013</u>
Intragovernmental Advances	\$ 32,303	\$ 373,959
Grant Advances	<u>5,624,676</u>	<u>3,979,808</u>
Total Other Assets	<u>\$ 5,656,979</u>	<u>\$ 4,353,767</u>

The intragovernmental advances amount is based upon an agreement between the Library of Congress and IMLS for the Residency Program in Digital Curation.

The grant advances with the public consists of payments made to grantees. Grantees are authorized by OMB to request advances toward grant awards. IMLS policy states that advances are limited to the recipient's immediate cash needs and must be fully disbursed within 30 days. Grantees are required to report on the status of funds paid in advance by submitting a Request for Advance or Reimbursement (SF-270) within 30 days of receipt. The amount in the Grant Advances line item represents the total amount of unliquidated advances requested and paid to grantees as of the year ending September 30, 2014.

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2014 and 2013

(in dollars)

Note 5 Liabilities Not Covered by Budgetary Resources

	<u>2014</u>
Intragovernmental:	
Other Unfunded Employment	\$ 39,777
Total intragovernmental	<u>39,777</u>
Accounts Payable	-
Accrued Unfunded Leave	519,957
Total liabilities not covered by budgetary resources	<u>559,734</u>
Total liabilities covered by budgetary resources	<u>44,646,947</u>
Total liabilities	<u><u>\$ 45,206,681</u></u>

	<u>2013</u>
Intragovernmental:	
Other Unfunded Employment	\$ 36,563
Total intragovernmental	<u>36,563</u>
Accounts Payable	-
Accrued Unfunded Leave	477,954
Total liabilities not covered by budgetary resources	<u>514,517</u>
Total liabilities covered by budgetary resources	<u>52,490,223</u>
Total liabilities	<u><u>\$ 53,004,740</u></u>

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2014 and 2013

(in dollars)

Note 6 Other Liabilities

	2014		
	Non-Current	Current	Total
Intragovernmental:			
Liability for Prepayments	\$ -	\$ 926,844	\$ 926,844
Employer Contrib. & PR Tax	-	85,528	85,528
Other	-	24,665	24,665
Accrued rent abatement	-	-	-
Total Intragovernmental	-	1,037,037	1,037,037
Public:			
Accrued Pay and Benefits	-	703,502	703,502
Employer Contrib. & PR Tax	-	8,171	8,171
Grant Accrual	-	43,238,476	43,238,476
Total Other Liabilities	<u>\$ -</u>	<u>\$ 44,987,186</u>	<u>\$ 44,987,186</u>

	2013		
	Non-Current	Current	Total
Intragovernmental:			
Liability for Prepayments	\$ -	\$ 751,730	\$ 751,730
Employer Contrib. & PR Tax	-	73,949	73,949
Capital Leases	48,077	110,080	158,157
Accrued rent abatement	-	47,004	47,004
Total Intragovernmental	48,077	982,763	1,030,840
Public:			
Accrued Pay and Benefits	-	629,142	629,142
Employer Contrib. & PR Tax	-	6,584	6,584
Grant Accrual	-	50,937,372	50,937,372
Total Other Liabilities	<u>\$ 48,077</u>	<u>\$ 52,555,861</u>	<u>\$ 52,603,938</u>

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2014 and 2013

(in dollars)

The liability for prepayments increased slightly from FY 2013 to FY 2014 due to a new reimbursable agreement for \$750,000 that was entered into with the Department of Education in FY 2014. This liability was offset by revenue earned on an existing interagency agreement with the Department of the Interior, National Park Service. Other reductions to intragovernmental liabilities include the accrued rent abatement payment, which was a one-time payment made in FY 2014 as part of IMLS modifying the 10 year occupancy agreement with GSA. This payment was required as part of the agency consolidating space and reducing the agency's total rent cost. The agency's space consolidation also resulted in a lump-sum payment for the leasehold improvements that have been reclassified from a capital lease liability to an other liability. The occupancy agreement is cancellable and set to expire in FY 2015.

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2014 and 2013

(in dollars)

Note 7 Funds from Dedicated Collections

IMLS has a dedicated collections fund for Gifts & Donations. The Treasury Symbol for this fund is 59X8080, Gifts and Donations, Institute of Museum Services. The DELPHI accounting system tracks the activity in this fund via a unique code.

Balance Sheet as of September 30	<u>2014</u>	<u>2013</u>
ASSETS		
Fund balance with Treasury	\$ 373,380	\$ 794,552
Investment	-	-
Other Assets	-	95,897
Total Assets	<u>\$ 373,380</u>	<u>\$ 890,449</u>
LIABILITIES and NET POSITION		
Other Liabilities	\$ 34,554	\$ 87,673
Cumulative Results of Operations	<u>338,826</u>	<u>802,776</u>
Total Liabilities and Net Position	<u>\$ 373,380</u>	<u>\$ 890,449</u>
Statement of Net Cost for the Year ended September 30		
Program Costs	\$ (526,090)	\$ (770,058)
Less Resources	<u>62,140</u>	<u>748,232</u>
Excess of Donations Received Over Cost Incurred	<u>\$ (463,950)</u>	<u>\$ (21,826)</u>
Statement of Changes in Net Postion Year ended September 30		
Net Position Beginning of Period	\$ 802,776	\$ 824,602
Change in Net Position	<u>(463,950)</u>	<u>(21,826)</u>
Net Position End of Period	<u>\$ 338,826</u>	<u>\$ 802,776</u>

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

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(in dollars)

Note 8 Intragovernmental Costs and Exchange Revenue by Program/Goal

	<u>2014</u>	<u>2013</u>
<u>Goal 1: Supporting lifelong learning</u>		
Intragovernmental costs	\$ 2,123,329	\$ 1,928,210
Public Costs	87,512,263	99,753,340
Less: Intragovernmental earned revenue	-	-
Less: Public earned revenue	-	-
Net Program Cost	<u>\$ 89,635,592</u>	<u>\$ 101,681,550</u>
<u>Goal 2: Promoting museums and libraries as strong community anchors</u>		
Intragovernmental costs	\$ 1,524,164	\$ 1,301,541
Public Costs	58,692,237	68,800,370
Less: Intragovernmental earned revenue	-	-
Less: Public earned revenue	-	-
Net Program Cost	<u>\$ 60,216,401</u>	<u>\$ 70,101,911</u>
<u>Goal 3: Supporting exemplary stewardship of museum and library collections</u>		
Intragovernmental costs	\$ 1,751,747	\$ 1,542,568
Public Costs	72,467,304	81,654,745
Less: Intragovernmental earned revenue	673,841	1,622,916
Less: Public earned revenue	-	-
Net Program Cost	<u>\$ 73,545,210</u>	<u>\$ 81,574,397</u>
<u>Goal 4: Sustaining and increasing public access to information and ideas</u>		
Intragovernmental costs	\$ 651,652	\$ 794,862
Public Costs	1,347,679	382,700
Less: Intragovernmental earned revenue	-	-
Less: Public earned revenue	-	-
Net Program Cost	<u>\$ 1,999,331</u>	<u>\$ 1,177,562</u>
Net Cost of Operations	<u>\$ 225,396,534</u>	<u>\$ 254,535,420</u>

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Note 9 Suborganization Program Costs/Program Costs by Segment

Program costs:	2014				
	Library State Grants	Library Other Grants	Museum Grants	Administrative	Total
Goal 1: Supporting lifelong learning					
Gross Costs	\$ 49,871,850	\$ 19,135,946	\$ 15,214,957	\$ 5,412,839	\$ 89,635,592
Less: Earned Revenue	-	-	-	-	-
Net Program Costs	<u>\$ 49,871,850</u>	<u>\$ 19,135,946</u>	<u>\$ 15,214,957</u>	<u>\$ 5,412,839</u>	<u>\$ 89,635,592</u>
Goal 2: Promoting museum and libraries as strong community anchors					
Gross Costs	\$ 49,931,653	\$ 2,892,887	\$ 3,786,142	\$ 3,605,719	\$ 60,216,401
Less: Earned Revenue	-	-	-	-	-
Net Program Costs	<u>\$ 49,931,653</u>	<u>\$ 2,892,887</u>	<u>\$ 3,786,142</u>	<u>\$ 3,605,719</u>	<u>\$ 60,216,401</u>
Goal 3: Supporting exemplary stewardship of museum and library collections					
Gross Costs	\$ 51,418,197	\$ 7,699,835	\$ 10,472,827	\$ 4,628,192	\$ 74,219,051
Less: Earned Revenue	-	-	673,841	-	673,841
Net Program Costs	<u>\$ 51,418,197</u>	<u>\$ 7,699,835</u>	<u>\$ 9,798,986</u>	<u>\$ 4,628,192</u>	<u>\$ 73,545,210</u>
Goal 4: Sustaining and increasing public access to information and ideas					
Gross Costs	\$ -	\$ -	\$ -	\$ 1,999,331	\$ 1,999,331
Less: Earned Revenue	-	-	-	-	-
Net Program Costs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,999,331</u>	<u>\$ 1,999,331</u>
Net Cost of Operations	<u>\$ 151,221,700</u>	<u>\$ 29,728,668</u>	<u>\$ 28,800,085</u>	<u>\$ 15,646,081</u>	<u>\$ 225,396,534</u>

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

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	2013				
Program costs:	Library State Grants	Library Other Grants	Museum Grants	Administrative	Total
Goal 1: Supporting lifelong learning					
Gross Costs	\$ 54,848,415	\$ 22,415,588	\$ 18,344,687	\$ 6,072,860	\$ 101,681,550
Less: Earned Revenue	-	-	-	-	-
Net Program Costs	<u>\$ 54,848,415</u>	<u>\$ 22,415,588</u>	<u>\$ 18,344,687</u>	<u>\$ 6,072,860</u>	<u>\$ 101,681,550</u>
Goal 2: Promoting museum and libraries as strong community anchors					
Gross Costs	\$ 54,848,414	\$ 6,506,119	\$ 4,648,198	\$ 4,099,180	\$ 70,101,911
Less: Earned Revenue	-	-	-	-	-
Net Program Costs	<u>\$ 54,848,414</u>	<u>\$ 6,506,119</u>	<u>\$ 4,648,198</u>	<u>\$ 4,099,180</u>	<u>\$ 70,101,911</u>
Goal 3: Supporting exemplary stewardship of museum and library collections					
Gross Costs	\$ 54,848,414	\$ 11,077,213	\$ 12,413,398	\$ 4,858,288	\$ 83,197,313
Less: Earned Revenue	-	-	1,622,916	-	1,622,916
Net Program Costs	<u>\$ 54,848,414</u>	<u>\$ 11,077,213</u>	<u>\$ 10,790,482</u>	<u>\$ 4,858,288</u>	<u>\$ 81,574,397</u>
Goal 4: Sustaining and increasing public access to information and ideas					
Gross Costs	\$ -	\$ -	\$ -	\$ 1,177,562	\$ 1,177,562
Less: Earned Revenue	-	-	-	-	-
Net Program Costs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,177,562</u>	<u>\$ 1,177,562</u>
Net Cost of Operations	<u><u>\$ 164,545,243</u></u>	<u><u>\$ 39,998,920</u></u>	<u><u>\$ 33,783,367</u></u>	<u><u>\$ 16,207,890</u></u>	<u><u>\$ 254,535,420</u></u>

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

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(in dollars)

Note 10 Exchange Revenue

Exchange Revenue in the amount of \$673,841 and \$1,622,916 was recorded in FY 2014 and FY 2013, respectively. Exchange revenue is primarily related to an interagency agreement with the Department of Interior, National Park Service to issue and manage Save America's Treasures grants in accordance with appropriation language.

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

Note 11 Apportionment Categories of Obligations Incurred

The amount of direct and reimbursable obligations incurred against amounts apportioned under Category A, Quarterly, Category B, Annual, and Exempt from Apportionment as of September 30:

2014

	No Year	Annual	Total
Obligations Incurred:			
Category A, Direct Obligations	\$ 132,406	\$ 15,648,213	\$ 15,780,619
Category B, Direct Obligations	787,220	211,114,915	211,902,135
Category B, Reimbursable	-	851,045	851,045
Exempt from Apportionment	62,721	-	62,721
Total obligations incurred	<u>\$ 982,347</u>	<u>\$ 227,614,173</u>	<u>\$ 228,596,520</u>

2013

	No Year	Annual	Total
Obligations Incurred:			
Category A, Direct Obligations	\$ 50,000	\$ 15,502,084	\$ 15,552,084
Category B, Direct Obligations	1,124,716	204,288,945	205,413,661
Category B, Reimbursable	-	-	-
Exempt from Apportionment	805,901	-	805,901
Total obligations incurred	<u>\$ 1,980,617</u>	<u>\$ 219,791,029</u>	<u>\$ 221,771,646</u>

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

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Note 12 Explanation of Differences between the Statement of Budgetary Resources and the Budget of the United States Government

The President’s Budget, which includes actual numbers for fiscal year 2014, has not yet been published. Actual numbers for fiscal year 2014 will be included in the President’s Budget for fiscal year 2016, scheduled to be released in February 2015. The budget can be found at <http://www.whitehouse.gov/omb> when it becomes available.

No material differences exist between the amounts reported in the FY 2013 Statement of Budgetary Resources and the 2013 actual amounts reported in the 2015 Budget of the United States Government. The Budget of the United States is displayed to the nearest million, while the Statement of Budgetary Resources is displayed in dollars. The difference noted under Budgetary Resources Available for Obligation is due to a combination of rounding and the expired unobligated balances from prior year annual funds that are reported in the Statement of Budgetary Resources and SF 133 but not in the Budget of the United States Government.

FY2013 (in Millions of Dollars)	Budgetary Resources Available for Obligation	Obligations Incurred	Distributed Offsetting Receipts	Net Outlays
Budget of the U.S. Government	\$226	\$221	\$1	\$253
IMLS Statement of Budgetary Resources	\$230	\$222	\$1	\$253
Differences	\$4	\$1	\$0	\$0

Note 13 Undelivered orders at the end of the period

	<u>2014</u>	<u>2013</u>
Undelivered orders as of September 30		
Administrative	\$ 2,980,958	\$ 2,461,622
Program	235,284,740	234,940,463
Exempt from Apportionment	<u>47,935</u>	<u>548,385</u>
Total undelivered orders	<u>\$ 238,313,633</u>	<u>\$ 237,950,470</u>

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

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Note 14 Incidental Custodial Collections

Custodial collections made by IMLS are deposited and reported into a designated miscellaneous receipt account. At fiscal year-end all custodial collections are returned to the U.S. Treasury.

	<u>2014</u>	<u>2013</u>
Income from IMLS projects funded in prior years	\$ -	\$ 2,568
Disposition of collections:		
Transferred to Treasury (general fund)	-	2,568
Net custodial revenue activity	<u>\$ -</u>	<u>\$ -</u>

Note 15 Explanations of Differences between Liabilities Not Covered by Budgetary Resources and Components Requiring or Generating Resources in Future Periods

Components that comprise liabilities not covered by budgetary resources represent the cumulative balance of the liability. By contrast, components requiring or generating resources in future periods included in the reconciliation of net cost of operations to budget represent the change in the liability created in the current year.

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2014 and 2013

(in dollars)

Note 16 Reconciliation of Net Cost of Operations to Budget

Budgetary Resources Obligated		
Obligations incurred	\$ 228,596,520	\$ 221,771,646
Less: Spending authority from offsetting collections and recoveries	(3,573,074)	(3,818,832)
Less: Offsetting receipts	<u>(62,140)</u>	<u>(748,232)</u>
Obligations net of offsetting collections and recoveries	\$ 224,961,306	\$ 217,204,582
Other Resources		
Imputed financing from costs absorbed by others	<u>477,047</u>	<u>408,905</u>
Total resources used to finance activities	\$ 225,438,353	\$ 217,613,487

Resources Used to Finance Items not Part of the Net Cost of

Operations:

Change in budgetary resources obligated for goods, services and benefits ordered but not yet provided (+/-)	(148,318)	36,352,498
Resources that fund expenses recognized in prior periods	(158,157)	(71,561)
Budgetary offsetting collections and receipts that do not affect net cost of operations:		
Other	(30,000)	
Resources that finance the acquisition of assets	(245)	(105,464)
Adjustments to net obligations resources that do not affect net cost	<u>62,140</u>	<u>748,232</u>
Resources used to finance items not part of the net cost of operations	(274,580)	36,923,705
Total resources used to finance items not part of the Net Cost of Operations	\$ <u>225,163,773</u>	\$ <u>254,537,192</u>

Components of the Net Cost of Operations that will not Require

or Generate Resources in the Current Period:

Components Requiring or Generating Resources in Future Periods		
Increase in Annual leave liability	\$ 42,003	\$ (101,881)
Increase in Exchange Revenue		
Other (+/-)	<u>3,213</u>	<u>3,803</u>
Total components of Net Cost of Operation	\$ 45,216	\$ (98,078)
Components not Requiring or Generating Resources:		
Depreciation and amortization	\$ 187,434	\$ 96,127
Other (+/-)	<u>111</u>	<u>179</u>
Total components of Net Cost of Operations that will not require or generate resources	\$ 187,545	\$ 96,306
Total components of Net Cost of Operations that will not require or generate resources in the current period	<u>\$ 232,761</u>	<u>\$ (1,772)</u>
Net Cost of Operations	\$ <u>225,396,534</u>	\$ <u>254,535,420</u>

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

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Note 17 Contributed Capital

The Institute is authorized to solicit, accept, receive, and invest in the name of United States, gifts, bequests, or devices of money and other property of services and to use such property or services in furtherance of the functions of the Institute.

In FY 2014, IMLS received contributions totaling \$62,140. In FY 2013, contributions totaled \$748,232.

4. Other Information

Summary of Financial Statement Audit and Management Assurances (unaudited)

Table 1: Summary of Financial Statement Audit

Audit Opinion	Unmodified				
Restatement	No				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
None					
<i>Total Material Weaknesses</i>	0	0	0	0	0

Table 2: Summary of Management Assurances

Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)						
Statement of Assurance	Unqualified					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
None						
<i>Total Material Weaknesses</i>	0	0	0	0	0	0
Effectiveness of Internal Control over Operations (FMFIA § 2)						
Statement of Assurance	Unqualified					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
None						
<i>Total Material Weaknesses</i>	0	0	0	0	0	0
Conformance with financial management system requirements (FMFIA § 4)						
Statement of Assurance	Systems conform to financial management system requirements					
Non-Conformances	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
None						
<i>Total non-conformances</i>	0	0	0	0	0	0
Compliance with Section 803(a) of the Federal Financial Management Improvement Act (FFMIA)						

	Agency	Auditor
Overall Substantial Compliance	Not applicable*	Not applicable*
1. System Requirements	Not applicable*	
2. Accounting Standards	Not applicable*	
3. USSGL at Transaction Level	Not applicable*	

*OMB Bulletin 07-04 states that agencies subject to the ATDA and Government Corporation Control Act are not subject to the requirements of FFMIA.

Improper Payments Information Act (IPIA)

Risk Assessment and Systematic Sampling Method

There are only four grant programs where the entire annual budget authority exceeds \$10 million. These are: Grants to States, Laura Bush 21st Century Librarians, Library National Leadership Grants, and Museums for America. Risk factors included in the review of these programs were:

<u>Risk Factor</u>	<u>Response</u>
Whether the program or activity reviewed is new to the Agency	No programs reviewed are new to the Agency
The complexity of the program or activity reviewed	No program or activity within IMLS is deemed complex, particularly with respect to determining the correct amounts.
The volume of payments made annually	IMLS does not make a high volume of payments annually.
Whether payments or eligibility decisions are made outside of the Agency	None
Recent major changes in program funding, authorities, practices, or procedures	None
Training for personnel	IMLS Staff are adequately trained throughout the year on current grants administration practices and policies within the Federal Government.
Significant deficiencies in audit reports	There have been no significant deficiencies in any audit report that might hinder accurate payment certification.
Results from prior improper payment work	A review of improper payments is done each fiscal year and there have been no findings on significant improper payments.

None of these grant programs is considered susceptible to significant erroneous payments or qualifies as “risk susceptible” based on OMB guidance thresholds. The Grants to States program

grants are awarded yearly to each of the 50 states and U.S. territories. The recipient is the State Library Administrative Agency of each state or territory, and does not change from year to year. The other three (3) programs follow the IMLS discretionary grant process and each institution is pre-determined for eligibility (as are applicants to all our grant programs).

To identify payments that were erroneously paid, a review of all FY 2014 grant refunds was performed. There were overpayments totaling approximately \$398,773 or 0.18 percent of the agency’s total program outlays of \$217.3 million as of September 30, 2014. Additionally, as of September 30, 2014 IMLS has recovered 100 percent of these payments.

In FY 2013 there were overpayments totaling approximately \$297,527 or 0.12 percent of the Agency’s total program outlays of \$240 million. As of September 30, 2013, IMLS had recovered 100 percent of these payments.

A review of administrative expenses in FY 2014 and FY 2013 identified no significant improper payments. In addition, there were no underpayments in the review of FY 2014 and FY 2013 total outlays. In accordance with the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA), FY 2014 administrative expenses include employee travel costs, but do not include payroll costs because the actual disbursement of payments to employees is fully the responsibility of our shared service provider.

Corrective Actions

While the Agency has determined that no programs are susceptible to significant erroneous payments, it has strengthened its preventative controls prior to disbursement of grant payments. In FY 2014, IMLS, along with its financial management shared-service provider, continued the use of the Batch Processing function of OMB’s Do Not Pay Solution. If a payment was paid in error and deemed improper, IMLS can immediately collect those funds. IMLS reviews 100 percent of reimbursement or advance requests before a disbursement is made.

Improper Payment Reporting Tables

Table 1: Improper Payment Reduction Outlook

Program or Activity	PY Outlays	PY IP %	PY IP \$	CY Outlays	CY IP %	CY IP \$
Grants	\$240M	0.12%	\$298K	\$217.3M	0.18%	\$399K
Administrative	\$2.5M	0.0%	\$0	\$3.6M	0.0%	\$0

Program or Activity	CY+1 Est. Outlays	CY+1 IP %	CY+1 IP \$	CY+2 Est. Outlays	CY+2 IP %	CY+2 IP \$	CY+3 Est. Outlays	CY+3 IP %	CY+3 IP \$
Grants	\$220M	0.1%	\$220K	\$218M	0.1%	\$218K	\$215M	0.1%	\$215K
Contracts	\$3.5M	0.0%	\$0	\$3.5M	0.0%	\$0	\$3.6M	0.0%	\$0

Table 2: Overpayments Recaptured Outside of Payment Recapture Audits

Agency Source	Amount Identified (CY)	Amount Recovered (CY)	Amount Identified (PY)	Amount Recovered (PY)	Cumulative Amount Identified (CY+PYs)	Cumulative Amount Recovered (CY+PYs)
Post - Payment Reviews	\$399K	\$399K	\$298K	\$298K	\$697K	\$697K

Agency Reduction of Improper Payments with the Do Not Pay Initiative

All grants are reviewed against the Systems for Award Management (SAM) database by searching against the organization’s DUNS. IMLS does not award grants to individuals; therefore no payments would be made to someone who is on the fugitive felons list or master death file of deceased individuals. Prior to awarding a contract, the IMLS contracting officers perform checks against the Federal Awardee Performance Integrity and Information System (FAPIIS) and the Excluded Party List System (EPLS). IMLS is registered and participates in the Do Not Pay (DNP) solution with the agency’s shared service provider, ESC. Payment files are sent to the DNP for comparison against the Death Master File and the EPLS. There were seven matches found this year but after further review were deemed to represent proper payments.

Table 3: Implementation of the Do Not Pay Initiative to Prevent Improper Payments

	Number (#) of payments reviewed for improper payments	Dollars (\$) of payments reviewed for improper payments	Number (#) of payments stopped	Dollars (\$) of payments stopped	Number (#) of improper payments reviewed and not stopped	Dollars (\$) of improper payments reviewed and not stopped
Reviews with the DMF only	5,164	\$220.9M	0	\$0	0	\$0