

GAO

Report to the Subcommittee on Interior  
and Related Agencies, Committee on  
Appropriations, House of  
Representatives

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May 2004

# NATIONAL PARK FOUNDATION

## Better Communication of Roles and Responsibilities Is Needed to Strengthen Partnership with the National Park Service



G A O

Accountability \* Integrity \* Reliability

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Highlights of [GAO-04-541](#), a report to the Chairman and Ranking Minority Member of the Subcommittee on Interior and Related Agencies, Committee on Appropriations, House of Representatives

## Why GAO Did This Study

In 1967, the Congress created the National Park Foundation (Foundation)—a nonprofit organization with the sole purpose of providing private support to the National Park Service (Park Service). However, some Park Service officials have raised concerns that the Foundation's support is not meeting parks' priority needs. In this context, congressional requesters asked GAO to review the activities of the Foundation by determining the (1) Foundation's roles and responsibilities for raising funds to support the Park Service, (2) amount and kinds of donations the Foundation has raised between fiscal years 1999 and 2003, and (3) extent to which the contributions obtained by the Foundation assisted the Park Service in addressing park priorities.

## What GAO Recommends

GAO made several recommendations to improve communication between the Park Service and the Foundation. The Park Service generally agreed with the recommendations. The Foundation disagreed with a recommendation calling for an overall written agreement with the Park Service. However, GAO believes that such an agreement is needed, as does the Park Service, given that communication problems exist in the Park Service regarding the Foundation's roles and responsibilities.

[www.gao.gov/cgi-bin/getrpt?GAO-04-541](http://www.gao.gov/cgi-bin/getrpt?GAO-04-541).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Barry T. Hill at (202) 512-3841 or [hillbt@gao.gov](mailto:hillbt@gao.gov).

## NATIONAL PARK FOUNDATION

# Better Communication of Roles and Responsibilities Is Needed to Strengthen Partnership with the National Park Service

## What GAO Found

In accordance with its legislative charter, the Foundation raises private donations from a variety of sources and has broad discretion in how it distributes these donations to support the Park Service. In general, the Foundation's policy is to support systemwide projects that serve the Park Service and are not otherwise federally funded, such as supporting temporary transportation advisors to help alleviate congestion at national parks.

Overall, annual private donations to the Foundation have more than doubled—from \$18 million in fiscal year 1999 to \$41 million in fiscal year 2003. Much of this increase has stemmed from the Foundation's concerted effort to target corporate donations, which accounted for the bulk of the donations received. Most of the corporate donations are noncash or "in-kind," such as providing expertise to renovate the red bus fleet in Glacier National Park or providing electric vehicles to parks in California. Corporate donors typically specify how their donations are to be used. For example, one corporation donated funds to renovate a national monument in the District of Columbia. The Foundation, in consultation with the Park Service, decided to use these funds to renovate the Washington Monument. Because the majority of the Foundation's donations are restricted by the donors for a specific use, there are limited funds available to respond to some parks' requests, such as for fund-raising assistance or support for local nonprofit groups. Consequently, some park officials question the usefulness of Foundation donations and believe support should be directed at park priorities. In an effort to raise more discretionary funds and possibly better support individual park needs, the Foundation is expanding its fund-raising approach to attract more donations from individuals.

The Foundation's efforts to assist the Park Service are hampered by poor communication and documentation problems. First, unlike most other partner relationships with the Park Service, the Foundation and the Park Service do not have a comprehensive written agreement that clearly describes the Foundation's fund-raising strategy and clarifies the roles and responsibilities of each partner. Second, the Foundation and the Park Service sometimes enter into verbal rather than written fund-raising agreements, thereby making it more difficult to determine the responsibilities of each party and whether commitments were met. Third, Foundation and Park Service officials disagree about the fund-raising strategy as well as the objectives for one of the Foundation's key fund-raising programs. Both parties have taken initial steps to address these and other communication problems.

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United States General Accounting Office  
Washington, D.C. 20548

May 17, 2004

The Honorable Charles Taylor  
Chairman  
The Honorable Norm Dicks  
Ranking Minority Member  
Subcommittee on Interior  
and Related Agencies  
Committee on Appropriations  
House of Representatives

For the last few decades, the National Park Service (Park Service) has relied increasingly on private donations in meeting its mission to promote and protect the national parks. Although national parks remain primarily a public responsibility, parks benefit from other sources of support, including individuals, corporations, and nonprofit organizations. These entities donate time, materials, and funds to support the park system. In 1967, the Congress created an official national, nonprofit partner of the Park Service—the National Park Foundation (Foundation)—to raise private contributions for the benefit of the Park Service, its activities, or its services.

The Congress and the Park Service have long recognized the important role of private support in meeting the needs of America's parks. However, there have been some recent concerns within the Park Service that the Foundation is not supporting its priority needs. In this context, you asked us to determine (1) the Foundation's roles and responsibilities for raising funds to support the Park Service, (2) the amount and kinds of donations the Foundation has raised between fiscal years 1999 and 2003, and (3) the extent to which the contributions obtained by the Foundation assist the Park Service in addressing park priorities. You also asked us to address several questions pertaining to the Foundation's grant disbursements, employee salaries, cooperative agreements, and contributions made by Proud Partners,<sup>1</sup> which are discussed in appendixes to this report.

To address the roles and responsibilities of the Foundation, we reviewed the Foundation's charter, as amended, and its bylaws. We reviewed Park Service rules and regulations governing fund-raising and donation and

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<sup>1</sup>The Foundation's Proud Partners of America Program allows mutual promotional benefits to corporate donors (called Proud Partners) and the Park Service.

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discussed their applicability to the Foundation with the Department of the Interior's Office of the Solicitor officials. To determine the amount and kinds of donations the Foundation has raised on behalf of the Park Service, we reviewed Foundation revenues from fiscal years 1999 through 2003 and analyzed private contributions made to the Foundation during this same period. We also examined 41 cooperative agreements between the Foundation and the Park Service or other federal agencies (see app. III). Moreover, we reviewed strategic plans of the Foundation and its fund-raising goals. To determine the extent that contributions assisted the Park Service in addressing park priorities, we reviewed the Foundation's available discretionary funds and grants to Park Service units and interviewed Foundation officials about how these funds and grants are used to satisfy park requests. We also reviewed the Foundation's processes over contributions. We analyzed the Foundation's financial statements for fiscal years 1999 through 2003, which received an unqualified opinion by independent auditing firms. We did not attempt to track each park's receipt and use of contributions due to the time that would be required. Appendix I provides further details about the scope and methodology of our review.

We conducted our work from August 2003 through May 2004 in accordance with generally accepted government auditing standards.

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## Results in Brief

In accordance with its charter, the Foundation raises private donations from a variety of sources to support the Park Service and has broad discretion in how it raises and distributes these donations. In general, the Foundation's policy is to support systemwide projects that serve the Park Service and are not federally funded, such as supporting temporary transportation advisors to help alleviate congestion at national parks. The Foundation has determined that these types of projects have the greatest potential for fund-raising success.

Overall, annual private donations to the Foundation have more than doubled from \$18 million in fiscal year 1999 to \$41 million in fiscal year 2003. Much of this increase has stemmed from the Foundation's concerted effort to target corporate donors, whose donations accounted for the bulk of contributions received for fiscal years 1999 through 2003. Most corporate donations are noncash or "in-kind," such as providing expertise to renovate the red bus fleet in Glacier National Park or providing electric vehicles to parks in California to reduce air pollution. For example, in fiscal year 2003, corporate donors contributed \$27 million, or 100 percent, of the total in-kind contributions that the Foundation received that year.

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Moreover, the corporate donors may specify how their donations are to be used. For example, according to the Foundation, one corporation donated funds specifically to renovate a structure on the National Mall. The Foundation, in consultation with the Park Service, decided to use these funds to renovate the Washington Monument. Because the Foundation's fund-raising is directed at obtaining support for systemwide programs that do not receive federal funding, donations are usually restricted to meet these objectives and are not made available to support individual park needs. We were unable to ascertain how many individual park requests the Foundation had received or how many it agreed to support because neither the Foundation nor the Park Service tracks this information. However, officials from both organizations agreed that many such requests are received and few receive Foundation support. Consequently, some park officials have begun to question the usefulness of the Foundation in its partnership role with the Park Service. In an effort to raise more discretionary funds and possibly to better support individual park needs, the Foundation is expanding its fund-raising approach to attract more donations from corporations and individuals that can be used for discretionary purposes.

The Foundation's efforts to assist the Park Service are hampered by poor communication and documentation problems in three main areas. First, the partners have no written agreement that clearly describes the Foundation's fund-raising strategy and clarifies the roles and responsibilities of the Foundation and the Park Service in their partnering relationship. This lack of an agreement has contributed to misunderstandings between Foundation and Park Service officials regarding the effectiveness of the Foundation's fund-raising strategy in supporting Park Service programs. Typically, other nonprofit partners do have agreements that, for example, include detailed statements of the work agreed to by each partner. Park Service headquarters officials said that an agreement, similar to those it has with other nonprofits, would benefit the partnership and help to minimize confusion about the partners' roles and responsibilities. Second, the Foundation and the Park Service frequently enter into verbal fund-raising agreements, thereby making it difficult to ensure that fund-raising commitments and responsibilities are met. For example, one Park Service regional official stated that the Foundation had verbally agreed to raise \$500,000 for the restoration of a historic site in Atlanta, Georgia. Foundation officials, however, denied making this commitment and attributed the misunderstanding to erroneous information provided by a Park Service headquarters official. Third, Foundation and Park Service officials disagree about the fund-raising

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strategy and objectives of, as well as certain arrangements made under, the Proud Partners of America Program. Specifically, some Park Service regional officials believe that the Foundation's fund-raising efforts are misdirected because they focus on systemwide programs, rather than on individual park needs. However, the Park Service has never provided the Foundation with a list of these needs. In addition, the organizations have different views about whether other nonprofits can engage in marketing campaigns with companies that provide similar products or services like those provided by Proud Partners. The Park Service and the Foundation have taken initial steps to address these and other communication problems, such as planning to provide training to Park Service regional and field staff on the Foundation's roles and responsibilities and fund-raising policies. However, the training has not been provided to date.

This report contains recommendations directed at improving communication between the Foundation and the Park Service and reducing much of the confusion and misunderstandings that exist between these two partners.

We provided the Park Service and the Foundation with a draft of this report for their review and comment and received written comments from both entities, which are included in appendixes VI and VII of this report. The Park Service generally agreed with our recommendations made to the Secretary of the Interior. The Foundation agreed with three of the four recommendations made to it. While the Foundation agreed that close coordination with the Park Service is important, the Foundation disagreed with our recommendation directing it to work collaboratively with the Park Service to develop a comprehensive written agreement. The Foundation stated that such an agreement was unnecessary because its enabling legislation established a procedure for ensuring cooperation by placing the Secretary of the Interior—as chairperson—and the Director of the Park Service—as secretary—on the Foundation's Board of Directors. We believe that additional mechanisms are needed at the operational level in order to achieve and document a mutual understanding of the Foundation's roles and responsibilities. In commenting on a draft of this report, the Park Service also believes that such an agreement would benefit communication between it and the Foundation.



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## Background

The national park system is comprised of 387 parks, including a diverse array of national parks, military parks, national monuments, national historic sites, recreation areas, and other designations.<sup>2</sup> The Park Service manages the park system and is charged with preserving and protecting these public lands for future generations. To manage this diverse system, parks are arranged under seven regional offices. These offices offer administrative or specialized support that is not always available at the local park level. Within these regions, a superintendent manages each park and has considerable decision-making authority over local park operations.

Federal appropriations to the Park Service have increased from about \$2 billion to about \$2.5 billion over the past 5 years, but these funds still fall short of addressing system needs. For example, the park system has a maintenance backlog estimated to be about \$5 billion. In addition to federal appropriations, the Park Service relies on support from various sources. For example, the Park Service receives additional support through (1) admission and user fees collected at park sites; (2) franchise fees paid by over 600 park concessionaires; and (3) donations from various individuals and groups, such as nonprofit organizations, which provide, among other things, technical, volunteer, and financial assistance to parks. The Park Service is actively increasing its partnerships with nonprofit organizations as an additional source of support.

In 1967, the Congress chartered the Foundation as the official national, nonprofit fund-raising partner of the Park Service.<sup>3</sup> The Foundation's primary purpose is to encourage private contributions that benefit park programs, activities, or services. The Foundation's charter was expanded in 1998 to assist and promote fund-raising at individual national parks.<sup>4</sup> The Foundation is governed by a board of directors. The Secretary of the Interior is the board's chairperson and appoints all board members, who serve without pay or other compensation. With the exception of appointment powers, most of the chairperson's responsibilities for overseeing Foundation operations are delegated to the board's vice

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<sup>2</sup>In this report, we use the term "parks" or "individual parks" to encompass all units of the national park system, regardless of designation.

<sup>3</sup>The National Park Foundation Act, Pub. L. No. 90-209 (1967), established the National Park Foundation.

<sup>4</sup>Pub. L. No. 105-391, Title VII, § 701 (1998) (codified at 16 U.S.C. § 190).

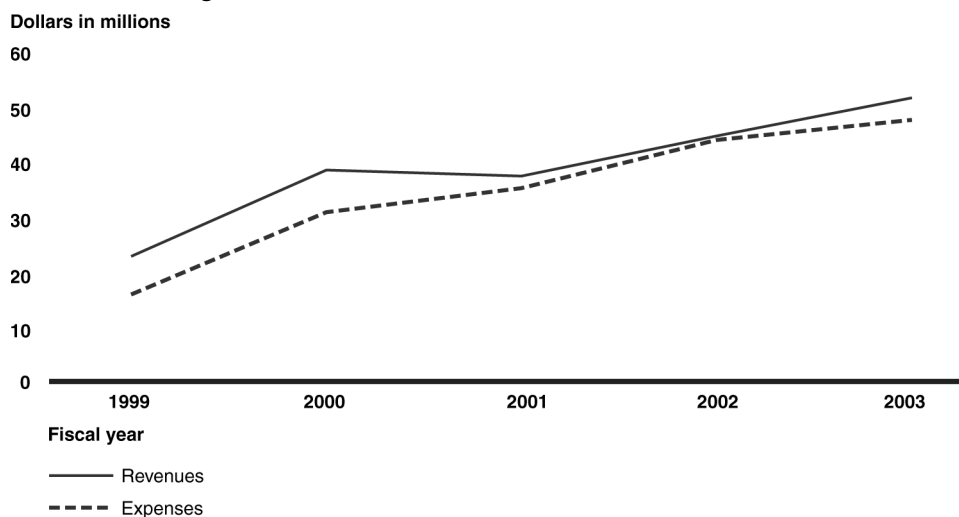
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chairman, who is the private citizen leader of the board. The Foundation has a staff of about 40 employees, including a chief executive officer/president who is responsible for managing the Foundation's day-to-day operations. Although congressionally chartered, the Foundation does not receive federal appropriations. Its expenses are paid from the revenues that it collects.

The Foundation's revenues and expenses have dramatically increased in recent years. Foundation revenues more than doubled from about \$24 million in fiscal year 1999 to about \$52 million in fiscal year 2003. Similarly, the Foundation's expenses, which are mostly contributions to the parks, have increased from \$16.5 million to over \$48 million during this period. Figure 1 show the trends in the Foundation's revenues and expenses for fiscal years 1999 through 2003.

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**Figure 1: Trends in the National Park Foundation's Revenue and Expenses, Fiscal Years 1999 through 2003**



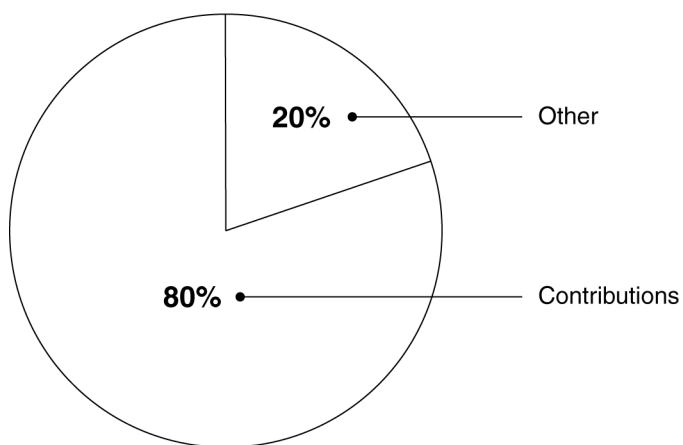
Source: GAO analysis of National Park Foundation data.

The total Foundation revenues for fiscal years 1999 through 2003 amounted to about \$200 million. Of these, contributions (cash and in-kind) were the largest category of revenues, accounting for about \$160 million, or 80 percent. Other revenue sources included income from investments, payments from federal agencies, litigation settlements, and fees imposed for services provided to other nonprofit organizations. On the other hand,

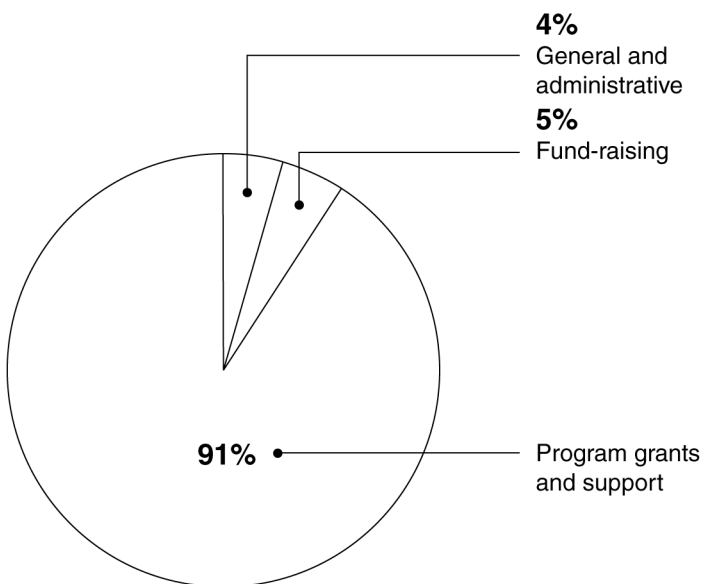
the Foundation's total expenses were about \$176 million during this time. The majority of these expenses were for direct program support and grants, amounting to \$160 million, or 91 percent, of all expenses. Other expenses were for general and administrative costs and fund-raising costs. These costs included rent payments, purchases of equipment and supplies, and salaries for administrative personnel. Figure 2 shows the Foundation's total revenues and expenses for fiscal years 1999 through 2003, by category.

**Figure 2: The National Park Foundation's Revenues and Expenses, by Category, Fiscal Years 1999 through 2003**

**Revenues**



**Expenses**



Source: GAO analysis of National Park Foundation data.

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## The National Park Foundation Has Considerable Discretion in Raising and Distributing Private Donations to Parks

The Foundation has considerable discretion in raising and distributing private contributions to the Park Service. The Foundation's chartering legislation does not prescribe a specific process to be used by the Foundation in raising donations for the Park Service. The Foundation has determined that systemwide projects that are unlikely to receive federal funding have the greatest potential for fund-raising success.

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## Legislative Charter Provides Broad Discretion in Fund-raising

The 1967 legislative charter provides the Foundation with broad discretion in determining its fund-raising approach. Under the legislation, the Foundation is authorized to "accept, receive, solicit, hold, administer, and use any gifts, devises, or bequests, either absolutely or in trust of real or personal property or any income therefrom or other interest therein for the benefit of or in connection with, the National Park Service, its activities, or its services." In 1998, the Congress amended the Foundation's charter and also required it to "design and implement a comprehensive program to assist and promote philanthropic programs of support at the individual national park unit level."

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## Fund-raising Is Targeted at Systemwide Projects That Are Not Federally Funded

In general, the Foundation attempts to secure private support for systemwide projects that are not federally funded. Foundation officials refer to this selection approach as its "Bright Line Theory." This theory is based on the view that donors will typically not make a contribution if they believe their donations will simply be used to supplant government funds or if their donations do not provide additional value. The Foundation considers projects that are systemwide and nonfederally funded to be above the bright line and to have the greatest possibility of attracting private support. The Foundation usually identifies these projects in consultation with Park Service headquarters officials. Such projects include the Park Service's Junior Rangers Program, which seeks to provide school children with knowledge about the benefits of national parks, and the Parks as Classrooms Program, whereby teachers are encouraged to supplement learning about nature by visiting local parks. Because the Foundation focuses on systemwide, nonfederally funded projects, it does not typically attempt to secure private donations for certain individual park

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priorities, which, Foundation officials believe, fall below the bright line and would potentially be viewed by donors as a federal responsibility.

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## Corporations Contributed to Significant Rise in Private Support

For fiscal years 1999 through 2003, private contributions more than doubled, from approximately \$18 million in 1999 to just over \$41 million in 2003. Cumulative private contributions during this period were about \$160 million, with the majority of these contributions coming from corporations. Most corporate donations are targeted for a specific use (restricted). The Foundation is in the process of revising its current fund-raising approach in an effort to increase its pool of discretionary donations. The Foundation hopes to satisfy more individual park needs with these discretionary donations.

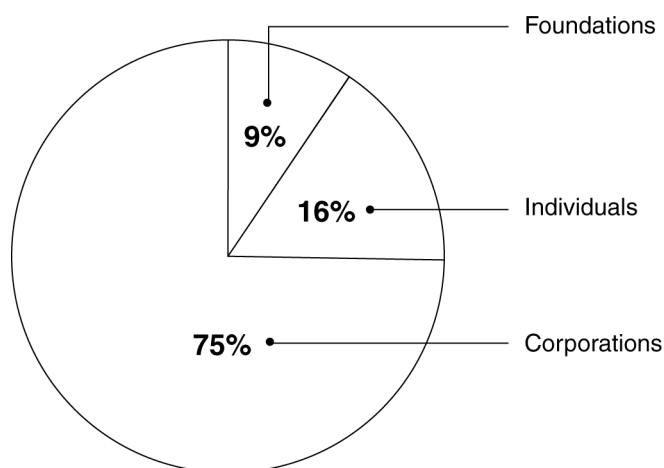
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## Corporations Are a Major Source for Private Donations

The Foundation has made a concerted effort to direct its fund-raising efforts primarily at corporations. Of the approximately \$160 million that the Foundation raised in private donations for fiscal years 1999 through 2003, \$120 million, or 75 percent, came from corporations. Individuals and foundations accounted for the remaining \$40 million, or 25 percent. Figure 3 shows the percentage of donations, by source, for fiscal years 1999 through 2003.

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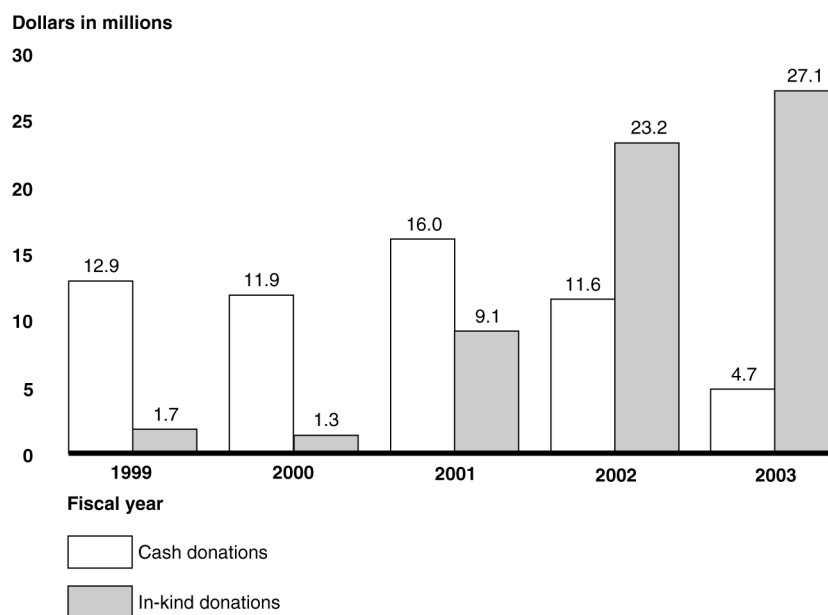
**Figure 3: Percentage of Donations, by Source, Fiscal Years 1999 through 2003**



Source: GAO analysis of National Park Foundation data.

In-kind contributions comprised about 52 percent of the corporate contributions during this time. As shown in figure 4, in-kind contributions have increased, whereas cash contributions have decreased in fiscal years 2002 and 2003, due largely in part to the implementation of the Foundation's Proud Partners Program.

**Figure 4: Corporate Donations, Fiscal Years 1999 through 2003**



Source: GAO analysis of National Park Foundation data.

## Fund-raising and Grant-Making Processes

The Foundation's fund-raising and grant-making processes consist of several phases. Fund-raising efforts typically begin with the Foundation's board members identifying corporate donors that could potentially provide donations in support of the Park Service. After identifying these corporate donors, the Foundation researches their philanthropic interests, such as demonstrated support for educational programs. Next, the Foundation contacts potential donors to explore the donors' philanthropic interests and to ascertain their willingness to make donations in support of the Park Service. If the donors are willing to contribute, the Foundation then contacts Park Service headquarters officials with relevant subject matter expertise to help identify potential systemwide projects that correspond with the donors' interests. The Foundation then presents these projects to

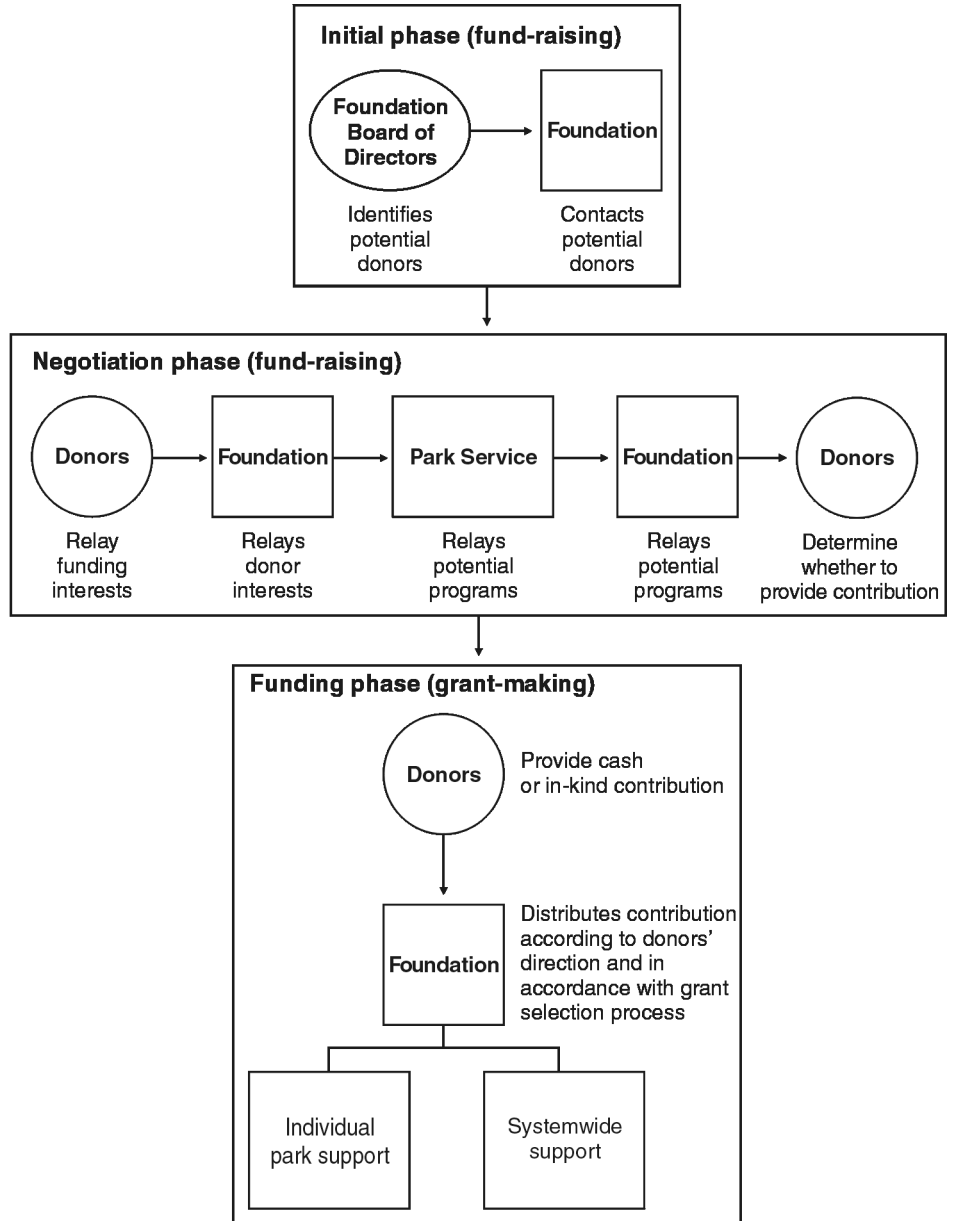
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the donors for their consideration. The donors then may decide to make a cash or in-kind contribution through the Foundation to support (1) one or more of the proposed systemwide projects, (2) projects in a specific park, or (3) general Park Service activities. In instances where the donors decide to support systemwide projects, the Foundation requests that all interested parties submit grant proposals, indicating how they would use these donations.<sup>5</sup> The Foundation, in consultation with Park Service officials, reviews the submitted proposals and selects recipients for the awards. In instances where the donors decide to support projects in a specific park, the Foundation makes a grant to the selected park. The Foundation may use various means to distribute general donations to support park activities. Figure 5 illustrates the steps involved in the Foundation's fundraising and grant-making processes. Appendix II provides additional details on the grant-making process.

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<sup>5</sup>Interested parties can include individual park units and regional offices of the Park Service as well as nonprofit organizations that support the Park Service.

**Figure 5: Phases of the National Park Foundation's Fund-raising and Grant-Making Processes**



Source: GAO analysis of National Park Foundation data.



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To better align its fund-raising with Park Service programs, the Foundation is currently expanding its fund-raising approach and reviewing, with the Park Service, the priority uses of the funds raised. Under its expanded approach, the Foundation and the Park Service have identified five program areas—Volunteerism, Visitor Experience, Education, Community Engagement, and Programs of National Significance—for which to target donations. Within each of these five program areas, the Foundation and the Park Service have identified systemwide programs that donors can support. Moreover, these programs will be used as a basis for identifying potential donors that have a history of supporting similar type programs.

#### Proud Partners of America Program

Corporate donors support the Foundation's Proud Partners of America Program, which was initiated in November 2000. The Foundation names as Proud Partners those corporations that have committed to multiyear support to help raise awareness about national parks, promote interest and support through sales of the National Park Pass, and encourage and provide meaningful experiences for park visitors. Currently, there are five Proud Partners: American Airlines; Discovery Communications, Inc.; Ford Motor Company; Eastman Kodak Company; and *TIME* magazine. Each Proud Partner is expected to pledge a minimum of \$12 million over a 3-year or longer period, and, according to Foundation officials, the Proud Partners have committed an estimated \$88 million to the parks.<sup>6</sup> The program was limited to five corporations to allow close management of the program and to minimize potential conflicts with donations tied to advertising at individual parks. A Foundation official stated that they have, however, recently initiated discussions with the Park Service and the Foundation's Board of Directors about doubling the number of partnering corporations to 10.

Under the Proud Partners Program, the Foundation receives both cash and in-kind<sup>7</sup> donations from corporations. This support is centered on (1) increasing public awareness of the breadth and depth of the parks, (2) engaging the public in support of parks through purchase of the National Park Pass and encouraging voluntary contributions, and (3) providing grants to parks for pilot programs intended to help improve the visitor

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<sup>6</sup>According to Foundation officials, this is the estimated value of commitments made by Proud Partners in letters of agreement with the Foundation. One Proud Partner, Ford, has already contributed more than this committed amount (see app. IV).

<sup>7</sup>The value of in-kind contributions is generally designated by donors and is subject to review by the Internal Revenue Service if reported as a charitable contribution.

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experience. Appendix IV provides more detailed information on the Proud Partners Program and its related support.

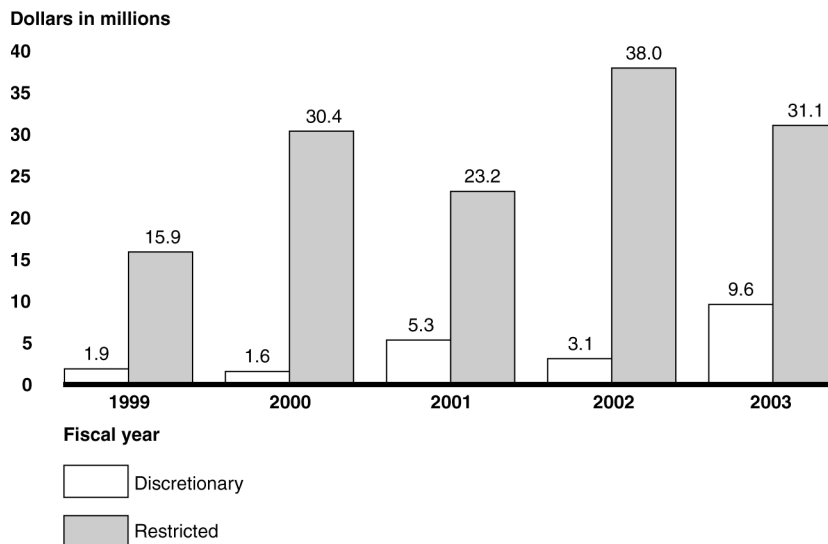
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### Bulk of Donations to the Foundation Is Restricted for a Specific Use

The bulk of the private donations received by the Foundation is restricted or targeted for specific uses. For example, about \$139 million, or 87 percent, of the \$160 million in donations that the Foundation received for fiscal years 1999 through 2003 were restricted. Conversely, the Foundation raised \$21 million—the remaining 13 percent—in discretionary donations, most of which were used to support systemwide programs. Figure 6 shows the amount of restricted and discretionary donations for fiscal years 1999 through 2003.

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**Figure 6: Restricted and Discretionary Donations, Fiscal Years 1999 through 2003**



Source: GAO analysis of National Park Foundation data.

The Foundation is also developing procedures to secure more discretionary funds from corporations and individuals. With regard to corporations, the Foundation plans to develop a pool of discretionary donations within each of its five program areas. Corporations can make discretionary donations within these broad program areas that can then be used to support individual park needs. To increase discretionary donations from individuals, the Foundation is exploring various means to better

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target individual donors. For example, the Foundation and the Park Service are exploring the feasibility of allowing park visitors to volunteer their contact information in order to follow up and ascertain how they can support national parks.

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## Poor Communication and Documentation Affect Efforts to Assist the National Park Service

Poor communication and documentation problems as well as weaknesses in management oversight hamper the Foundation's partnering relationship with the Park Service. We identified three factors that contribute to the problems that affect the Foundation's efforts in assisting the Park Service: (1) no written agreement exists between the Foundation and the Park Service describing the Foundation's fund-raising strategy and clarifying the roles and responsibilities of each partner, (2) the lack of written agreements on certain fund-raising and donation projects and the lack of effective management procedures to ensure that documentation standards are met, and (3) disagreement about the Foundation's fund-raising and donation strategy and the objectives of the Proud Partners Program. The Foundation and the Park Service have efforts under way to improve communication and enhance the partnering relationship, but these efforts have not addressed the need for written agreements.

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## The Foundation and the Park Service Lack Comprehensive Agreement Specifying Their Respective Partnering Roles and Responsibilities

The Foundation and the Park Service have not documented in a written agreement the Foundation's fund-raising and donation strategy, the roles and responsibilities of the parties to implement the strategy, the approach for accomplishing the strategy, or the specific guidelines and procedures that should be followed to implement the strategy. The lack of a written agreement providing more specificity has created confusion about how the Foundation performs its role of supporting the Park Service. Foundation officials informed us that they view the Foundation's charter as the overarching agreement between the Foundation and Park Service, and that certain activities of the partners are further documented through standard operating procedures as well as a memorandum of agreement. While (1) the Foundation's legislative charter provides a basic framework for its fund-raising efforts, (2) the memorandum of agreement addresses advertising and promotional campaigns for Proud Partners, and (3) the Foundation's standard operating procedures provide direction with regard to grant-making activity, there is no one comprehensive document that clearly discusses the Foundation's fund-raising strategy, work requirements, and roles and responsibilities of the Foundation and the Park Service in their partnering relationship. The Park Service does, however,

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enter into detailed written agreements with other nonprofit organizations that include detailed descriptions of the fund-raising approach to be used and the work to be performed by each partner. Park Service headquarters officials said that an agreement, similar to those it requires for other nonprofits, would benefit the partnership with the Foundation and help to minimize confusion on the partners' roles and responsibilities.

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### The Foundation and Individual Parks Sometimes Enter into Verbal Fund-raising Agreements

The Foundation and individual parks sometimes rely on verbal agreements in conducting fund-raising, leading to misunderstandings between the Foundation and the Park Service officials regarding the roles and responsibilities that each party is to perform, such as the specific fund-raising objectives and agreed-upon fund-raising actions. Furthermore, neither the Foundation nor the Park Service tracked fund-raising requests or verbal agreements. Thus, neither agency can measure whether performance under these agreements met expectations. We requested the views of officials from all seven regional offices about their relationship with the Foundation. Deputy and associate regional directors confirmed that some field staff are dissatisfied with the Foundation for not keeping its fund-raising promises. For example, some regional Park Service officials told us that they had verbal fund-raising agreements with the Foundation, and that the Foundation did not honor its commitments. In one instance, a Park Service regional official stated that the Foundation agreed to raise \$500,000 for a restoration of a historic site in Atlanta, Georgia. The Foundation denied it had made the commitment and attributed the misunderstanding to erroneous information provided by a Park Service headquarters official. Similarly, a Park Service regional official stated that the Foundation had verbally agreed to raise support for the region's top priority—construction of a Native American memorial at Little Bighorn Battlefield National Monument. In this case, Park Service regional and Foundation officials collaborated on a work plan that identified these priorities for Foundation assistance. However, the support never materialized. According to the Foundation, it was unable to attract sufficient private contributions to implement all of the early phases of its campaign.

Without written fund-raising agreements and a system for tracking verbal agreements, the Park Service and the Foundation cannot ensure proper management oversight that is consistent with sound internal control and

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management practices. Specifically, internal control standards<sup>8</sup> specify that all transactions and other significant events need to be clearly documented, that the documentation should be readily available for examination, and that all documentation and records should be properly managed and maintained. Other fund-raising efforts on behalf of the Park Service must comply with Director's Order 21—the Park Service's guidance on fund-raising and donations—and be authorized in a written agreement. Under Director's Order 21, fund-raising agreements should include the (1) project or programs to be funded and the priority order of funding; (2) procedures under which the fund-raising will be conducted, including adherence to Park Service policies; and (3) procedure for Park Service review and approval of planning, design, and construction when appropriate. An official from Interior's Office of the Solicitor told us that this order does not apply to the Foundation given its unique status as a congressionally chartered fund-raiser. Although Foundation officials stated that they comply with the order on a voluntary basis, and that their procedures require written agreements for fund-raising involving specific park projects, we found that there were no written agreements.<sup>9</sup> Foundation officials stated that this is a recent policy and that they have not entered into any local park agreements since this policy was adopted. In any event, the Park Service and the Foundation could improve their internal control procedures by entering into written fund-raising agreements. Doing so would provide a means for the Park Service and the Foundation to improve their management oversight of fund-raising activities.

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### Some Park Service Officials Disagree with the Foundation's Fund-raising Strategy and Key Aspects of the Proud Partners Program

There is also disagreement within the Park Service about the effectiveness of the Foundation's fund-raising strategy for raising funds to support Park Service programs. Some Park Service headquarters officials agree with the Foundation's fund-raising strategy and the Secretary of the Interior and the Director of the National Park Service serve on the Foundation's Board of Directors, which approves all fund-raising activities of the Foundation. However, some regional Park Service officials, while appreciative of the

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<sup>8</sup>U.S. General Accounting Office, *Standards for Internal Control in the Federal Government*, GAO/AIMD-00-21.3.1 (Washington, D.C.: November 1999).

<sup>9</sup>Foundation officials said they did not need to have written agreements since the projects were documented in Park Service regional office work plans. While some projects may have been documented in work plans, these plans did not contain all of the items noted in Director's Order 21.

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Foundation's support, disagree with the Foundation on its fund-raising strategy and objectives of the Proud Partners Program. With regard to the fund-raising strategy, these officials told us that the Foundation's strategy should be targeted at the priority needs of individual parks. For example, several regional officials commented that the Foundation's unfamiliarity with park needs resulted in missed opportunities to solicit contributions for important park projects. In addition, these officials suggested that the Park Service periodically provide its list of individual park priorities to the Foundation for fund-raising consideration. Although the current park priority listing focuses on projects eligible for funding from over 80 federal sources, the officials believe the list could be modified to include projects for which nonprofit funding is needed and appropriate. Foundation officials believe that individual park priorities can be better addressed by local nonprofit organizations. Foundation officials acknowledge that, in some cases, donors are interested in supporting a park priority need that could be viewed as a federal responsibility. For example, one corporation agreed to raise \$5 million to support the restoration of the Washington Monument in Washington, D.C.—a project that was on the Park Service's priority list in anticipation of future federal funding.

Some regional officials stated that some support provided through the Proud Partners Program was unrelated to park needs. For example, one company donated 500 electric vehicles, valued at about \$4.2 million, to national and state parks in California,<sup>10</sup> and, according to one Park official, the actual funds would have better met park needs. Park Service headquarters' officials recognize that much of the Foundation's corporate revenues are restricted and heavily tied to promotional or advertising objectives, but they believe these contributions have nevertheless provided valuable assistance.

In addition, the Park Service and the Foundation appear to have differing viewpoints with respect to one of the three objectives of the Proud Partners Program. In a May 2001 memorandum sent to the Park Service's Leadership Council, the Acting Park Service Director communicated to the service's regions and local park superintendents that the objectives of the Foundation's Proud Partner Program includes providing "direct support for National Park Service priorities." According to Foundation officials, the objectives of the Proud Partner Program were designed to support

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<sup>10</sup>About 275 of these vehicles went to national park units. About 225 vehicles were donated to California state parks and to the U.S. Fish and Wildlife Service.

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systemwide Park Service programs, not individual park priorities. The Foundation's published objectives for the Proud Partner Program are to provide servicewide benefits to the park system by (1) raising awareness about the breadth and depth of national parks, (2) generating individual interest and support for parks through sales of the National Parks Pass and encouraging contributions, and (3) piloting visitor experience grant programs to help the Park Service address the challenges of encouraging and providing meaningful park experiences while preserving park resources. In practice, however, the Foundation policy has not always been followed. For example, the Director of the Park Service and the Park Service's Associate Director for Partnerships, Interpretation and Education, Volunteers, and Outdoor Recreation, recently stated that the Proud Partners Program has supported some local park projects, such as the restoration of the historic fleet of red buses at Glacier National Park at a cost of about \$8 million. Such inconsistencies in communication and practice have led to misunderstandings about the kinds of projects the program will support.

Lastly, Foundation and Park Service officials have different views about the exclusivity terms in the Proud Partner agreements. A memorandum of agreement between the Foundation and the Park Service, originally signed in 1994,<sup>11</sup> established policies and guidelines that should be followed in managing commercial advertising and promotional campaigns, such as the Proud Partner Program. Although predating the Proud Partner Program by 6 years, this agreement, along with an earlier internal Park Service memorandum, establishes the Foundation's responsibility for managing national, cause-related marketing campaigns.<sup>12</sup> The 1994 agreement also stipulates that all promotional and advertising arrangements will be consistent with Park Service policies and provides for Park Service review of promotional material before their public distribution. Additionally, the agreement authorizes the Foundation to sign letters of agreement with corporate partners and to provide product or service category exclusivity.

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<sup>11</sup>In 1999, the 1994 agreement was extended for an additional 5 years.

<sup>12</sup>Corporations and businesses generally offer two primary forms of donations: philanthropic donations or donations that are tied to advertising or product sales—known as cause-related marketing.

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The issue in question is whether these exclusivity arrangements preclude other nonprofits from making park-based marketing agreements with businesses that promote products or services that fall within the Proud Partners' categorical areas of operation.<sup>13</sup> Foundation officials advised us that the terms of their agreements with corporate partners do not prevent other Park Service nonprofit partners from negotiating park-based marketing agreements with businesses that provide the same type of product or services as the Foundation's five national partners. However, the Interior's Office of the Solicitor officials, along with nonprofit officials with whom we spoke, believe that such park-based agreements are generally prohibited. Under this interpretation, a local friends group at any national park, for example, generally could not negotiate a park-based automotive-related marketing agreement with the Toyota Corporation because the Ford Motor Company is a Proud Partner and has exclusive marketing rights within the automotive product category. Because the Foundation has provided nondisclosure guarantees to its Proud Partners, it does not make the actual terms within the specific agreements between the Foundation and the Proud Partners available for Park Service review (see app. IV for more details).

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### The Foundation and the Park Service Have Efforts Under Way to Improve Collaboration and Communication

Both the Park Service and the Foundation have several ongoing efforts, which when fully implemented should help address recognized communication problems between their organizations. In April 2003, the Park Service and the Foundation jointly created the Partnership Committee to take actions to, among other things, ensure common, consistent, open, and timely communication between the two entities. This committee, comprised of Park Service headquarters officials and regional directors and Foundation board members and staff, also focuses on achieving shared goals and recommending actions to resolve differences between the two organizations. In addition, the Director of the Park Service and Foundation officials recently agreed to meet monthly to find ways to promote better communication. Although this committee has been formed, it has yet to develop any action plans to address specific communication issues that it has identified.

The Foundation and the Park Service are also taking independent actions to improve communication. For example, the Foundation is providing

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<sup>13</sup>These categories include airline, mass communication, automotive, photoimaging, and print media (see app. IV, table 3 for additional details).



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quarterly reports to the Park Service's National Leadership Council that provide updated information on the Foundation's grants, Proud Partners Program, funding, and partnership highlights. The reports are then distributed to all park superintendents, program managers, and other staff in the Park Service. The Foundation also plans to provide briefings to Park Service regional staff that discuss and clarify the Foundation's roles and responsibilities and fund-raising policies. Similarly, the Park Service established the NPS Partnership Council in 2002 that facilitates open communication and dialogue among the Park Service's field, regions, and directorate; the National Park Foundation; and other nonprofit partners. The council consists of 24 members, including Park Service headquarters officials, regional directors, and field representatives (preferably at the superintendent level) and a Foundation representative.<sup>14</sup> In addition, Park Service officials said that they were considering a proposal for a general agreement between the organizations to clarify the roles and responsibilities of the Foundation and the Park Service in their partnering relationship.

Although the Foundation and the Park Service have taken positive steps to improve communication, these actions are recent and have not been fully implemented. For example, although the Foundation has recognized the need to provide briefings to Park Service regional officials, the briefings have not been provided to date.

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## Conclusions

Although the Foundation's support has contributed to the betterment of the Park System, poor communication between the Foundation and the Park Service has caused confusion regarding how each of the parties is operating in the partnership. Much of this confusion stems from the lack of a written agreement that clearly describes the Foundation's fund-raising strategy and clarifies the roles and responsibilities of the Foundation and the Park Service in its partnering relationship. Until roles and responsibilities are better defined and policies and procedures are outlined to implement fund-raising efforts, confusion and uncertainty may result and fund-raising opportunities may be overlooked.

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<sup>14</sup>A representative from the Association of Partners for Public Lands, representing park cooperating associations and friends groups, also serves as an informal member. The Foundation is the only official non-Park Service entity on this council.

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The Foundation's approach to fund-raising for systemwide programs has led some Park Service officials to contend that the Foundation's support is not being focused where it could do the most good—to better support individual higher priority projects at local parks. Although the Foundation is attempting to increase its discretionary funds that could be used for individual park priorities, the Foundation could also benefit from a list of individual park priorities, which the Park Service has not yet provided.

Some Park Service officials are concerned that the Foundation has not fulfilled its commitments to provide fund-raising support. Without written fund-raising agreements, neither the Foundation nor the Park Service can demonstrate that they met fund-raising commitments and that the agreements were carried out.

The Foundation and the Park Service are embarking on several initiatives to remedy some of these problems, such as providing formal briefings to Park Service regional officials on the Foundation's roles and responsibilities. Moreover, the Park Service is currently considering the development of an overall written agreement with the Foundation that clearly articulates each party's roles and responsibilities in the partnering relationship. While these are steps in the right direction, many of these initiatives are still in the initial planning phase. However, the proper implementation of these steps should help resolve the communication problems that exist between the Foundation and the Park Service and strengthen their partnership.

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## Recommendations for Executive Action

To reduce the confusion and misunderstanding and improve communication between the National Park Foundation and the Park Service, we are recommending that the Secretary of the Interior require the Director of the National Park Service to take the following five steps:

- work collaboratively with the Foundation to develop an overall written agreement that, among other things, articulates the Foundation's fund-raising strategy and clarifies the roles and responsibilities of the Foundation and the Park Service in their partnering relationship;
- identify and document all current and future fund-raising agreements made with the Foundation, specifying the terms of work agreed to by each party;

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- provide a list of individual park project priorities, including those potentially fundable by nonprofits, and communicate them to the Foundation for consideration in fund-raising;
  - develop and implement internal controls such that fund-raising agreements are documented in writing and subsequent performance is tracked against the agreement; and
  - clarify whether the exclusivity terms in Foundation agreements with Proud Partners apply to park-based cause-related marketing arrangements and communicate this information to all of the Park Service's fund-raising partners.

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## Recommendations to the National Park Foundation

To improve its communication with the Park Service and improve management controls, we are making four recommendations to the National Park Foundation, namely that it take the following four steps:

- enter into an overall written agreement with the Park Service that includes its fund-raising strategy and clarifies the roles and responsibilities of the Foundation and the Park Service in their partnering relationship;
- identify and document all current and future fund-raising agreements made with the Park Service, specifying the terms of work agreed to by each party;
- develop a process, either through training or briefings, to help ensure complete and consistent understanding of its fund-raising strategy and roles and responsibilities with the Park Service headquarters, regional, and local park officials; and
- in developing its fund-raising approach, consider the list of individual park priorities compiled and provided by the Park Service—this list could be used for identifying patterns of park needs for systemwide projects as well as for identifying specific needs that may be of interest to potential donors.

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## Agency Comments and Our Evaluation

We provided a draft of this report to the National Park Service and the National Park Foundation for review and comment. Both provided written comments. The Park Service agreed with the five recommendations we made to the Secretary of the Interior. The Foundation agreed with three of the four recommendations that were directed to it and stated that it is committed to working with the Park Service to ensure the implementation of these recommendations. While the Foundation agreed that close coordination with the Park Service is important, it disagreed with our recommendation calling for the development of a comprehensive written agreement that clarifies the respective roles and responsibilities of the two parties. The Foundation stated that such a written agreement is unnecessary because cooperation is already adequately ensured by its chartering legislation and the positions held by the Secretary of the Interior and the Director of the Park Service, who serve as chairperson and secretary, respectively, on the Foundation's Board of Directors. Moreover, the Foundation cited that the powers of the board's chairperson to appoint all board members as an effective means of ensuring cooperation. Finally, the Foundation stated that its recent efforts to consult extensively with the Park Service regarding fund-raising and grant-making, as well as its efforts to create standard operating procedures, underscores the Foundation's commitment to furthering cooperation between the two entities.

We agree that the Foundation's charter and the positions held by the Secretary of the Interior and the Director of the Park Service on the Foundation's board are important elements of coordination between the Foundation and the Park Service. This arrangement is an important part of the Foundation's governance structure. Because neither the Secretary of the Interior, nor the Director of the Park Service, nor the appointed board members are responsible for, or involved with, daily operational relationships, additional safeguards are needed at the operational levels to help ensure effective communication and working relationships. Although board policies and guidance can facilitate effective communication and working relationships, it is the Foundation's managers and staff that are responsible for the implementation of such policies and guidance. As our report indicates, implementation can be improved. We continue to believe that a comprehensive written agreement between the Foundation and the Park Service would further enhance communication, working relationships, and management controls at all levels of the partnership. In commenting on the draft report, the Park Service also stated that such an agreement would enhance the communication between it and the Foundation.

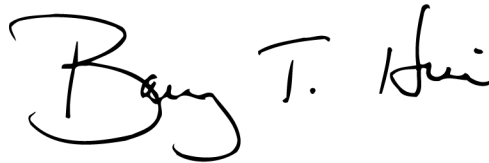
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The Park Service comments are contained in appendix VI, and the Foundation comments are provided in appendix VII.

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As arranged with your offices, unless you publicly announce the contents of this report earlier, we will plan no further distribution of this report until 30 days after the date of this letter. At that time, we will send copies of this report to other interested congressional committees, the Secretary of the Interior, and the National Park Foundation. We will make copies available to others upon request. In addition, the report will be available at no charge on GAO's Web site at <http://www.gao.gov>.

If you or your staff have any questions, please contact me at (202) 512-3841 or [hillbt@gao.gov](mailto:hillbt@gao.gov). Key contributors to this report are listed in appendix VIII.

A handwritten signature in black ink that reads "Barry T. Hill". The signature is written in a cursive style with a large, looping initial "B".

Barry T. Hill  
Director, Natural Resources  
and Environment

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# Scope and Methodology

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We examined the partnership relationship between the National Park Foundation (Foundation) and the National Park Service (Park Service), focusing primarily on the Foundation's efforts to provide assistance to the Park Service in accordance with its stated charter.

To identify the Foundation's roles and responsibilities, we gathered and reviewed several documents. We reviewed the Foundation's legislative charter, and its amendments, to identify the purpose for which the charter was established and what functions it is responsible for performing. We discussed the basis and application of the authorities with Foundation and Park Service officials to understand how the Foundation should perform its fund-raising to support the Park Service. We also reviewed the Foundation's bylaws and the policies and procedures that govern its fund-raising and donation strategies and operations, and we discussed their application with Foundation officials. We reviewed Park Service rules, regulations, and guidance, specifically director's orders governing fund-raising and donation activities and agreements. We discussed the application of these rules, regulations, and guidance with the appropriate Park Service and Foundation officials to gain an understanding of how they are to be applied to the Foundation's roles and responsibilities. In addition, we reviewed the Foundation's strategic plans and 41 existing cooperative agreements between the Foundation and the Park Service or other federal agencies to ascertain the roles and responsibilities contained therein.

We examined Foundation financial and management reports to determine the amount and kinds of donations that the Foundation has raised on behalf of the Park Service. Specifically, we collected, reviewed, and analyzed the Foundation's audited financial statements for fiscal years 1999 through 2003 to identify the revenues and expenses of the Foundation. From these statements, we identified the sources and amounts of contributions made. We discussed with Foundation officials their fund-raising and grant-making processes and activities, including the Proud Partners of America Program. The Foundation provided us with data describing how the Proud Partners and other grants were allocated within the Park Service. In assessing the reliability of these data through (1) interviews with knowledgeable officials and (2) reviews of existing information, we found problems with the accuracy and completeness of these data. Nevertheless, we determined that the reliability of these data was adequate to describe the grants within the Park Service. We performed an analysis of this information to determine the (1) sources of donations, such as corporations, individuals, or other foundations; (2) amounts received from these sources; (3) types of contributions, for example, cash

versus noncash (in-kind); and (4) amounts of contributions that were for discretionary use or dedicated for a specific purpose (restricted). We also developed a list of cooperative agreements using data provided independently by the Foundation and the Park Service. We assessed the completeness of this information by comparing the documentation provided by the two organizations. We collected the source documents for all of the cooperative agreements to ensure the accuracy of the information.

To determine the extent that contributions assisted the Park Service in addressing park priorities, we reviewed the Foundation's grant awards and available discretionary funds and interviewed Foundation officials about how these funds are raised and used to fulfill individual park requests. We discussed with current and former Park Service officials the support provided by the Foundation. These individuals included officials at Park Service headquarters, regional offices, and some individual park units. We discussed with these officials their views regarding the usefulness of the support provided by the Foundation, such as how the support addressed local park priorities. We did not attempt to track each park's receipt and use of contributions due to the time that would be required to review such data. We also reviewed internal control documentation standards to ascertain whether the agreements between the Park Service and the Foundation met those standards. Finally, we analyzed the Foundation's financial statements for fiscal years 1999 through 2003, which received an unqualified opinion by independent auditing firms.

We conducted our work from August 2003 to May 2004 in accordance with generally accepted government auditing standards.

# Grants to National Parks as Reported in the National Park Foundation's GIFTS Database

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The Foundation uses its GIFTS database to, among other things, monitor the number of grants awarded to national parks. The information contained in this appendix is based on a query of this database. According to Foundation officials, GIFTS is a newly installed database and does not contain all of the grant information for fiscal years 2000 through 2003. We performed several tests of the database and found that the data were indeed incomplete. For example, although GIFTS includes some information on grants awarded to Glacier National Park for the renovation of its red bus fleet, the database does not contain all grants awarded for this project. Though we found that the data in the GIFTS system were incomplete in our reliability assessment, we present the data in this appendix as background information on grants awarded to national parks. Consequently, information pertaining to grant award amounts and allocations may be underreported.

According to the GIFTS database, for fiscal years 2000 through 2003, the Foundation awarded 768 grants totaling approximately \$58 million to support the Park Service. Of this, 610 grants for \$32 million went to 210 national parks.<sup>1</sup> In addition, Park Service offices received 88 grants totaling \$22 million. The remaining 70 grants went to such entities as foundations, societies, and local friends groups for activities in support of the Park Service. Grants included both monetary and nonmonetary (in-kind) contributions, such as photoimaging equipment and electric vehicles.

The Foundation typically awards grants through a competitive process. Grant applicants must submit proposals for specific funds indicating, among other things, how they plan to use the grant. A selection committee, comprised of Foundation and Park Service officials, reviews all proposals and makes a selection. The committee then presents its selection to the Foundation Board of Directors for approval. To be approved, (1) grant proposals must have gone through the standard review process or be for a grant that a donor has directed for a specific purpose; (2) grant proposals must fall within one of the Foundation's four program areas—Visitor Experience, Volunteerism, Education, or Community Engagement—or fill a pressing need for the Park Service under the category of Programs of National Significance; and (3) funds must be available. A grant agreement is then forwarded to the recipient for signature, and once it is received by the Foundation, a disbursement is made. The Foundation tracks the grants throughout the process using its GIFTS database. Figure 7 shows the total

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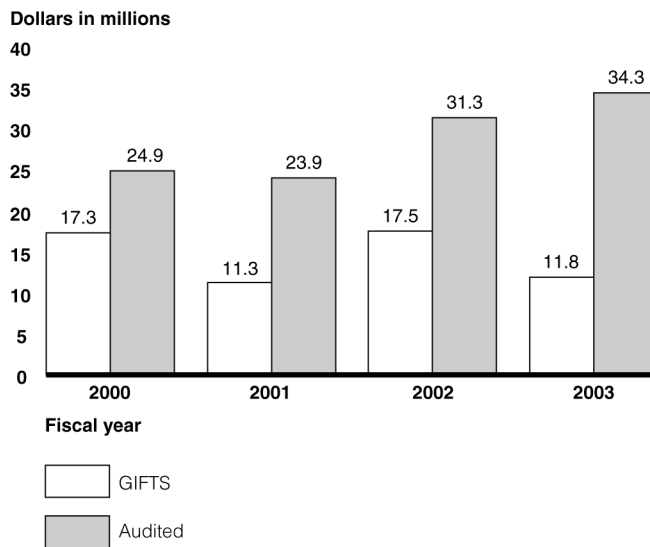
<sup>1</sup>Some of the 210 parks received multiple grants.



**Appendix II**  
**Grants to National Parks as Reported in the**  
**National Park Foundation's GIFTS Database**

grant dollars awarded for fiscal years 2000 through 2003 as reported in the Foundation's GIFTS database and audited financial statements.

**Figure 7: Grant Dollar Totals Awarded in Fiscal Years 2000 through 2003 as Reported in the National Park Foundation's GIFTS Database and Audited Financial Statements**



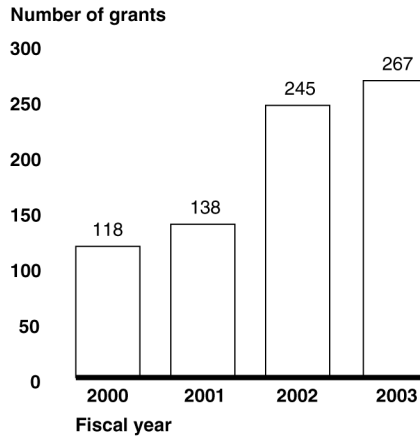
Source: GAO analysis of the National Park Foundation GIFTS database and audited financial statements.

Note: According to Foundation officials, the difference in the amounts reported in the GIFTS database and the audited financial statements is the result of additional grants that were not recorded in GIFTS.

The GIFTS database shows that the number of grants awarded by the Foundation significantly increased in recent years. Foundation grant awards doubled from fiscal years 2000 through 2003, from about 120 grant awards to just over 265 grant awards, as shown in figure 8.

**Appendix II**  
**Grants to National Parks as Reported in the**  
**National Park Foundation's GIFTS Database**

**Figure 8: Grant Awards for Fiscal Years 2000 through 2003 as Reported in the National Park Foundation's GIFTS Database**



Source: GAO analysis of the National Park Foundation GIFTS database.

For fiscal years 2000 through 2003, the Foundation provided grants to 210 national parks. On the basis of the grants included in the GIFTS data, the top 3 national parks receiving grant assistance during this time were Edison National Historic Site, Glacier National Park, and Yellowstone National Park. These 3 national parks combined received about \$13 million, or 22 percent, of the total grant dollars awarded during this time. Edison National Historic Site received the largest grant awarded—approximately \$5 million for building restoration. Table 1 provides selected national park grant recipients for fiscal years 2000 through 2003.

**Appendix II  
Grants to National Parks as Reported in the  
National Park Foundation's GIFTS Database**

**Table 1: Selected National Park Grant Recipients for Fiscal Years 2000 through 2003**

Name of park	Total amount awarded	Largest grant received	
		Amount	Purpose
Edison National Historic Site	\$5,016,526	\$4,993,933	Building restoration
Glacier National Park	4,863,181	4,512,500	Refurbishment of red bus fleet
Yellowstone National Park	2,885,820	1,365,000	Production and broadcast of feature film
Mesa Verde National Park	1,835,626	850,000	Park preservation
Washington Monument	1,500,000 <sup>a</sup>	1,500,000	Phase 3 of monument restoration
George Washington Memorial Parkway	1,482,136	1,100,000	Rehabilitation of Lyndon Baines Johnson Memorial Grove
Lyndon Baines Johnson Memorial Grove	1,100,000	1,100,000	Rehabilitation of Lyndon Baines Johnson Memorial Grove
Yosemite National Park	993,814	402,645	Electric vehicles
Olympic National Park	884,002	252,899	Elwha River restoration
Franklin Delano Roosevelt Memorial	865,000	355,000	Sculptural design services for the addition of the Franklin Delano Roosevelt Memorial

Source: GAO analysis of National Park Foundation data.

<sup>a</sup>This project received grant funding in previous years that is not included in this amount.

# Cooperative Agreements and the National Park Pass Contract

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Since fiscal year 1997, the Foundation has entered into 41 cooperative agreements with federal agencies that total over \$3.1 million. Of these 41 agreements, 37 are with the Park Service,<sup>1</sup> and 4 are with the Bureau of Land Management and the U.S. Fish and Wildlife Service, respectively, to support joint programs between those agencies and the Foundation.<sup>2</sup> Each agreement establishes the responsibilities of the Foundation and its federal partner, specifying the product or service the Foundation must provide as well as the funding the federal partner must provide. These agreements between the Foundation and federal agencies have often been modified and extended. Table 2 provides a detailed list of the Foundation agreements with the Park Service and other Department of the Interior agencies.

Not all of the 37 agreements that the Foundation has with the Park Service have been completed. Park Service contracting officers who are responsible for monitoring these agreements reported that, for those completed, the Foundation successfully met agreement terms. The Foundation also has a contract with the Park Service to administer the National Park Pass Program. This program allows park visitors to purchase a pass, good for 1 year, that allows for admission to parks with entry fees. Current contract terms allow for cost reimbursement for administration, limited to 15 percent of the National Park Pass revenue. In October 2003, the Park Service contract officer expressed concern with the Foundation's reimbursement request because it exceeded the program budget by over \$300,000. Upon review, the contracting officer agreed that most of these costs were appropriate, disallowing about \$33,000.

In March 2004, the Foundation and the Park Service signed a general agreement that lays out policies related to cooperative agreements. Among other things, the agreement lists the prerequisites for entering into cooperative agreements. Specifically, these criteria are that the activity covered by the agreement (1) is of a type that is consistent with the mission of the Park Service, (2) is not normally undertaken through a procurement

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<sup>1</sup>The Park Service is authorized to enter into cooperative agreements with other public entities and nonprofit partners to support its mission, programs, and projects. The Park Service provides appropriated funds to partners under these agreements. For this review, the term "agreement" includes both original agreements and modifications.

<sup>2</sup>The Foundation's legislative charter specifies that it is to provide support for the Park Service and its activities and services. Foundation and Park Service officials stated that the agreements with these other Interior agencies provide products or services that are related to the Park Service's mission.

**Appendix III  
Cooperative Agreements and the National  
Park Pass Contract**

contract, (3) requires the Park Service and the Foundation to be active participants, and (4) is consistent with congressional mandates for both the Park Service and the Foundation. In addition, the agreement details various procedural requirements. Table 2 provides the name of the agreement and information on the original and modifications to it, the product or service to be delivered, and the awarded funding amount for each agreement from fiscal years 1997 through 2003.

**Table 2: Original Agreement and Modifications to Cooperative Agreements, Products and Services, and Funding Amounts Awarded, Fiscal Years 1997 through 2003**

<b>Name of the agreement</b>	<b>Original agreement and modifications</b>	<b>Product or service</b>	<b>Funding amount</b>
<b>Agreements with the National Park Service</b>			
Capacity Building- Intermountain Partnerships 1443CA120098003	Original	Establish general framework for cooperation, collaboration, and training between the IMR and the NPF to help define partnership between IMR and NPF and various friends groups in the region	<sup>a</sup>
	1	Support planning for engaging partners at the Mesa Verde National Park	\$50,000
	2	Support strategic planning process for Chamizal National Memorial	85,000
	3	Presentation on market research and the messaging project	3,000
	4	Support feasibility study of potential for private land acquisition necessary to construct new visitor and administrative facility at Timpanogos Cave National Monument	33,000
	5 and 6	Explore elements of the draft partnership framework; increase the range, level, and quality of stewardship around the parks in the IMR	95,500
Chesapeake Bay Gateway Network CA4560-B-0014	Original	Plan, design, fabricate, and install a permanent exhibit utilizing text, graphics, and primary source materials at the Yorktown Visitor Center, which will interpret how the Chesapeake Bay affected Yorktown	10,000
Crater Lake Centennial P9320010045	Original	Develop and implement centennial celebration at Crater Lake National Park	15,000
Crater Lake Traveling Exhibit P9320010046	Original	Develop traveling exhibit	13,346
Feasibility Study for Tuskegee Airmen National Historic Site CA5000000229	Original	Feasibility and marketing study and campaign to raise funds for the Tuskegee Airmen National Center	125,400
	1	Modification of original agreement to revised budget and add additional funding	28,350

**Appendix III  
Cooperative Agreements and the National  
Park Pass Contract**

(Continued From Previous Page)

<b>Name of the agreement</b>	<b>Original agreement and modifications</b>	<b>Product or service</b>	<b>Funding amount</b>
Lake Mead 1443CA836001005	Original	Support partnership capacity building and project implementation at Lake Mead National Recreation Area	<sup>a</sup>
	1 and 2	Transferred to cooperative agreement with BLM	<sup>b</sup>
	3	Development of interpretive plans, displays, and materials	103,300
	4	Implementation of antilitter strategy for Outside Las Vegas Foundation	60,000
	5	Support Forever Earth Floating Laboratory to encourage student education and water quality research	30,000
Lake Mead 1443CA836002001	Original	Outside Las Vegas Partnership Meeting Coordination	8,000
Message Project 1443CA000100005	Original	Gain a better understanding of the public's current awareness of NPS and enhance NPS's ability to communicate the relevance of national parks and the mission of the service; identify alternative actions that can be taken to enhance the public's understanding of NPS and take appropriate actions to enhance that understanding	575,000
	1	Modification to original agreement to increase funding amount	40,500
	2	Create consistent graphic standards for NPS; create printed, exhibit, Internet, and other materials that will help share progress of the project with NPS employees and key audiences	13,000
	3	Modification of original agreement to increase funding amount	323,000
	4	Expand and enhance the public's understanding of the role that infrastructure plays in the visitor's perception of national parks; support publication of two volumes that are based on NPS Historic American Engineering Record accounts of park roads, bridges, and parkway surveys of the last 13 years	49,500
	5	Expand and enhance the public's understanding of the role that infrastructure plays in the visitor's perception of national parks; support publication of brochure series based on NPS Historic American Engineering Record accounts of park roads, bridges, and parkway surveys	20,000
New York Harbor H4560-03-003	Original	Establish a National Parks of New York Harbor fund, build long-term advocates and support for park programs and projects, share expertise, provide funding and project management services to carry out priority projects	<sup>a</sup>
	1	Conduct project review, park assessment, planning framework, initial interviews, and priority products; conduct market analysis; conduct preliminary financial and physical feasibility analyses; and prepare implementation strategy and solicitation materials	30,000
Park Flight H0001020016	Original	Support efforts to increase the understanding of NPS and partner's migratory bird conservation efforts by NPS employees and park visitors; develop proposals and projects that enhance and advance the conservation of migratory birds	65,000

**Appendix III  
Cooperative Agreements and the National  
Park Pass Contract**

(Continued From Previous Page)

<b>Name of the agreement</b>	<b>Original agreement and modifications</b>	<b>Product or service</b>	<b>Funding amount</b>
Partnership Office Tool Project 1443CA000197018	Original	Develop tools to enhance and encourage partnerships with friends groups and other nonprofit park support organizations	25,000
	1	Develop the NPS's Cultural Resources Diversity Initiative	15,000
	2	Not executed	<sup>c</sup>
	3	Develop information on individuals, foundations, and corporations with an interest in the Underground Railroad Network; creation of a symbol for the National Underground Railroad Network to Freedom; and development of a newsletter	235,000
	4	Develop a newsletter, produce a report on internship program, and produce printed materials for conference (2000)	45,000
	5	Support NPS Partnership Office's efforts to hold a conference for NPS personnel and park support groups on developing and maintaining successful partnerships; develop two publications to guide this effort	99,000
	6	Support NPS Partnership Office's efforts to develop Internet and intranet sites with information about partnerships	50,000
	7	Support the Park Flight Program's efforts to develop partnership activities that result in improved outlook for migratory bird species	30,000
	8	Develop a newsletter, produce a report on internship program, and produce printed materials for conference (2001)	30,000
	9	Provide partnership training to NPS professionals, produce a report, enhance Web site, and identify areas of critical need to the NPS	235,000
	10	Extends agreement	<sup>d</sup>
Rock Creek Park Foundation CA3450-9-0003	Original	Support planning for the development of the Rock Creek Park Foundation	70,000
<b>Agreements with the Bureau of Land Management</b>			
Large Scale Native Plant Production FAA010051-BLM	Original	Develop strategy and implement large-scale native plant production, the material of which will be used for restoration of riparian areas on federal lands	421,134
Oliver Ranch FAA020002-BLM	Original	Feasibility study report for an Environmental Education Field School at Oliver Ranch, including an engineered site assessment of the site and an assessment of the economic and programmatic viability of an Interagency Field School serving the Las Vegas Valley	100,000

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Cooperative Agreements and the National  
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Name of the agreement	Original agreement and modifications	Product or service	Funding amount
<b>Agreements with the Fish and Wildlife Service</b>			
Master Agreement with Fish and Wildlife Service 145502J001-FWS	Original 1	Master Agreement for the Desert National Wildlife Refuge Complex  Support events or activities for the understanding, protection, management, and enhancement of the areas, resources, and relationships of the Desert National Wildlife Refuge Complex	<sup>a</sup>  10,000

Legend

BLM Bureau of Land Management  
 FWS U.S. Fish and Wildlife Service  
 IMR Intermountain Region  
 NPF National Park Foundation  
 NPS National Park Service

Source: GAO analysis of National Park Foundation data.

<sup>a</sup>Not applicable. Covered in modifications.

<sup>b</sup>Covered in BLM Agreement.

<sup>c</sup>Not Applicable.

<sup>d</sup>No new funding.



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# Proud Partners of America Program Contributions and Pledges as Reported by the National Park Foundation

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The Foundation representatives provided us with data estimating the value of Proud Partners' contributions that directly benefited national park units. Subsequently, Foundation officials stated these data were not reviewed by management and were inaccurate. They provided new data that made significant changes, including how systemwide and park-specific support was allocated. In assessing the reliability of these data through interviewing knowledgeable officials, we found problems with accuracy. For example, the Foundation had listed about \$10 million as a park-specific contribution to Glacier National Park. In reviewing the supporting material for that contribution, we determined that about \$2 million of the \$10 million was a systemwide contribution. As a result, these data should be viewed as background information on contributions and pledges made under the Proud Partners of America Program.

Under the Proud Partners Program, five large corporations and the Foundation develop a marketing campaign that provides mutual promotional benefits to the Park Service and the corporation. Since the program's inception in November 2000, the Foundation estimates that partners have provided or committed \$93 million to the parks. Foundation data show that about \$62 million has been received and used primarily for systemwide (\$38 million) and park-specific support (\$13 million).<sup>1</sup> Included in these data, as systemwide support, is over \$6 million of in-kind contributions for on-air programming featuring individual national parks. For example, Discovery Communications, Inc., donated programming for films on Glacier National Park valued at \$630,000, Grand Canyon National Park valued at \$1.7 million, and Yellowstone National Park valued at \$1,365,000. Foundation officials stated that these films were part of a broader effort to raise awareness about all national parks and were considered systemwide, rather than park-specific support. Proud Partner park-specific support has directly benefited about 190 parks, with Glacier National Park being the primary recipient because of the Ford Motor Company's red bus renovation initiative.

In addition to providing systemwide and park-specific support, nearly \$3 million of the Proud Partner funds supported entities outside of the Park Service, such as other federal and state organizations and nonprofits. For example, Ford's donation of 500 electric vehicles included 225 vehicles, valued at about \$1.8 million, which benefited non-Park Service

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<sup>1</sup>An additional \$1million in cash was pledged or received but, as of June 30, 2003, had not been used for park support.

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**Proud Partners of America Program**  
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operations—mostly California state parks. Also, Eastern National, a Park Service cooperating association, received a professional digital camera donation from the Eastman Kodak Company valued at \$3,000, and the National Park of American Samoa received photoimaging equipment from Kodak valued at \$2,000. The Foundation reports that administrative and fund-raising costs associated with the Proud Partners Program have totaled about \$7 million.

The Proud Partner Program is based on the view that large corporate sponsors seek to invest in the positive image, exposure, visibility, and public acceptance that are associated with the national parks. Recognizing this, Foundation staff attempt to customize a promotional program for each partner that meets corporate marketing, philanthropic, and public affairs objectives and that is consistent with the Foundation's principal program objectives for benefiting the park system.

The Foundation's Board of Directors plays a key role in developing corporate partnerships. Usually, board members identify prospective partners. They also may contact the corporation directly or facilitate contacts by Foundation staff. Before meeting with a prospective partner, Foundation staff perform research to identify the corporation's philanthropic and promotional interests. Also, informal discussions may occur among the board, Foundation staff, and the Park Service to ensure that the corporation's values are in-line with those of the Park Service and the Foundation.

As the process continues, Foundation representatives make a customized presentation to the potential partner. The presentation uses information gleaned from staff research, such as the corporation's philanthropic interests, and identifies partnering contribution requirements as well as broad program benefits that corporations might expect. For example, if a corporation has a philanthropic interest in education, Foundation representatives would note educational opportunities and needs associated with the national parks. Among the broad benefits, the representatives note that by aligning their corporate image with the popularity of the national parks, corporate sponsors can demonstrate excellent corporate citizenship, increase sales, heighten brand awareness, and target specific markets and consumer demographics. Information on specific program benefits may also be provided during the presentations. Foundation staff point out, for example, that Proud Partners receive the following:

- exposure through Proud Partner advertising and promotional literature,

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Proud Partners of America Program  
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- outreach to park visitors,
- exclusive advertising and promotional rights,
- unique hospitality opportunities, and
- the use of a highly visible Foundation Web site.

As with other Foundation programs and grants, Proud Partners Program initiatives and grants are reviewed and approved by a board committee and require board approval. Grants are expected to align with program objectives identified during a planning process that entails considerable Park Service input. Also, the distribution of partner donations, via grant awards, works much the same as with other Foundation grants, implementing a standard request for proposals process to direct partner support to the parks. At times, a representative of the Proud Partners participates in the review of grant applications.

The Foundation provided us with data describing how the Proud Partners' contributions were allocated within the Park Service. In examining data provided by the Foundation, we found that it was not clear how these contributions were allocated systemwide versus to specific parks. For example, the Foundation categorized a contribution for filmmaking at Glacier Park as systemwide because it viewed the film as benefiting the whole national park system. We also performed tests to determine the completeness and accuracy of these data and found problems. Due to time constraints, we did not assess the complete reliability of the Proud Partners data. Thus, we present these data in this appendix as background information on contributions and pledges made under the Proud Partners Program.

Table 3 identifies the Proud Partners, the category of product or services they provide, and the term of their agreement with the Foundation. It also shows each partner's reported total contributions as of June 30, 2003, and estimated contributions over the program's life. Contributions as of June 2003 do not include \$7 million in administrative support contributed by the Proud Partners.

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**Table 3: Proud Partner Product Categories, Agreement Length, and Contributions as Reported by the National Park Foundation**

<b>Partner</b>	<b>Category</b>	<b>Length of agreement (years)</b>	<b>Contributions through June 30, 2003</b>	<b>Total estimated contributions over program life</b>
American Airlines	Airline	4	\$9,875,000	\$13,580,000
Discovery Communications, Inc.	TV, Internet, mass communication, entertainment	3	9,784,000	28,567,000
Ford Motor Company	Automotive	3	21,056,000	21,056,000
Eastman Kodak Company	Photoimaging	5	3,720,000	12,000,000
<i>TIME</i> magazine	Print media	3	9,346,000	18,000,000
<b>Total</b>			<b>\$53,780,000</b>	<b>\$93,203,000</b>

Source: GAO analysis of National Park Foundation data.

Proud Partners' support is commonly directed at promoting visitor interest in the parks. However, the support initiatives designed to accomplish this differ markedly from partner to partner. Moreover, while most initiatives are intended to support servicewide benefits, considerable Proud Partner support has benefited individual parks.

*TIME* magazine, for example, focuses on raising awareness of parks through special magazine features and advertising in its magazine, as does Discovery Communications, Inc., through public service advertisements and television programming. American Airlines supports the objective of generating interest and support for the parks through sales of the Park Pass and encouraging contributions. The airline's support initiatives include offering frequent flyers extra miles for contributions and providing funding for migratory bird conservation and education projects within national parks. Kodak also promotes Park Pass sales and enhancing visitor experiences. Kodak initiatives include supporting an annual national park photo contest and a national park "photo quilt" on its Web site. Table 4 shows the major Proud Partner initiatives and their estimated value.

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**Table 4: Major Proud Partners Initiatives and Their Estimated Value as Reported by the National Park Foundation**

<b>Proud Partner</b>	<b>Initiative description</b>	<b>Estimated value</b>
American Airlines	Park Flight (migratory bird conservation and education program)	\$752,000
	Exhibits at Wright Brothers National Memorial Pavilion	100,000
Discovery Communications, Inc.	On-air programming	7,770,000
	Visitor education films	388,000
	Public service advertisements	1,570,000
Ford Motor Company	Glacier National Park red bus restoration	7,837,500
	Transportation interpreters	900,000
	Transportation scholars	600,000
	Electric vehicles for California national and state parks	4,200,000
	Transportation studies	500,000
	Rosie the Riveter grants	50,000
Eastman Kodak Company	Product donations	600,000
	Ambassadors (providing photo services to visitors)	800,000
	National Park Pass Photo Contest	1,700,000
	Web site features (the National Park Photo Quilt)	600,000
TIME magazine	Park magazine features	4,900,000
	Public service advertising	4,200,000

Source: GAO analysis of National Park Foundation data.

The Proud Partner agreements provide considerable support to the Park Service, but the Park Service does not review the agreement and is not a signatory. The Foundation advised us that Proud Partner agreements provided corporate partners with nondisclosure assurances, and that the

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agreements are kept confidential because of proprietary information contained therein. Instead, the Foundation makes agreements with corporations and then provides the Park Service with information describing the terms of their partnering agreement. The Foundation also provides advertisements and other promotional materials intended to be used for the Proud Partners Program to the Park Service for its review before distribution. The Foundation did not provide agreements to us for our review,<sup>2</sup> but they did provide us with a standard contract template that, according to Foundation officials, is included in each agreement. Although the template does not address financial arrangements or specifically refer to Park Service policies or guidelines, it appears to promote conformity with the Park Service’s advertising and promotional policies.

When the Proud Partners Program was first announced, several Park Service regional directors requested additional information on how the program related to park fund-raising efforts. Park Service and local nonprofit officials also voiced concern about categorical exclusions limiting fund-raising opportunities by other partners without Park Service review of the partner agreements. To date, neither the Foundation nor the Park Service has conducted a formal assessment of the extent to which exclusivity terms that are part of the Proud Partners’ agreements affect local nonprofits. Table 5 provides a detailed list of national parks that have received direct program contributions. The table also contains an unverified estimate, provided by the Foundation, of the value of those contributions (\$13 million).

**Table 5: National Parks Receiving Direct Proud Partners Assistance from November 2000 through June 2003 as Reported by the National Park Foundation**

Dollars in thousands	
<b>National park</b>	<b>Estimated donation</b>
Abraham Lincoln Birthplace National Historic Site	
Acadia National Park <sup>a</sup>	\$125
Adams National Historic Site	
Agate Fossil Beds National Monument	3

<sup>2</sup>No one outside of the Foundation reviews the Proud Partner agreements, although transmittal of the agreements to congressional committees was contemplated but never enacted. See S. Rep. 104-299 (1996).

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<b>National park</b>	<b>Estimated donation</b>
Alagnak Wild River	
Alibates Flint Quarries National Monument	
Allegheny Portage Railroad National Historic Site	8
Amistad National Recreation Area	
Andersonville National Historic Site	
Andrew Johnson National Historic Site	2
Aniakchak National Monument	7
Aniakchak National Preserve	
Antietam National Battlefield	5
Apostle Islands National Lakeshore	3
Appalachian National Scenic Trail	
Appomattox Court House National Historical Park	
Arches National Park <sup>a</sup>	3
Arkansas Post National Memorial	
Arlington House – The Robert E. Lee Memorial	
Assateague Island National Seashore	1
Aztec Ruins National Monument	
Badlands National Park	8
Bandelier National Monument	29
Bent's Old Fort National Historic Site	
Bering Land Bridge National Preserve	7
Big Bend National Park <sup>a</sup>	
Big Cypress National Preserve	4
Big Hole National Battlefield	
Big South Fork National River & Recreation Area	3
Big Thicket National Preserve	
Bighorn Canyon National Recreation Area	3
Biscayne National Park <sup>a</sup>	12
Black Canyon of the Gunnison National Monument	3
Blue Ridge Parkway	
Bluestone National Scenic River	
Booker T. Washington National Monument	
Boston African American National Historic Site	
Boston Harbor Islands National Recreation Area	64
Boston National Historical Park <sup>a</sup>	85
Brices Cross Roads National Battlefield Site	

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<b>National park</b>	<b>Estimated donation</b>
Brown vs. Board of Education National Historic Site	
Bryce Canyon National Park	32
Buck Island Reef National Monument	
Buffalo National River	19
Cabrillo National Monument	32
Canaveral National Seashore	
Cane River Creole National Historical Park	5
Canyon de Chelly National Monument	
Canyonlands National Park <sup>a</sup>	
Cape Cod National Seashore <sup>a</sup>	1
Cape Hatteras National Seashore	
Cape Krusenstern National Monument	7
Cape Lookout National Seashore	
Capitol Reef National Park	4
Capulin Volcano National Monument	
Carl Sandburg Home National Historic Site	3
Carlsbad Caverns National Park	10
Carter G. Woodson Home National Historic Site	
Casa Grande Ruins National Monument <sup>a</sup>	3
Castillo de San Marcos National Monument	2
Castle Clinton National Monument	
Catoctin Mountain Park	9
Cedar Breaks National Monument	2
Cedar Creek and Belle Grove National Historical Park	
Chaco Culture National Historical Park <sup>a</sup>	
Chamizal National Memorial	
Channel Islands National Park <sup>a</sup>	7
Charles Pinckney National Historic Site	
Chattahoochee River National Recreation Area	
Chesapeake & Ohio Canal National Historical Park <sup>a</sup>	59
Chickamauga & Chattanooga National Military Park	
Chickasaw National Recreation Area	
Chiricahua National Monument/Fort Bowie National Historic Site	5
Christiansted National Historic Site	
City of Rocks National Reserve	



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<b>National park</b>	<b>Estimated donation</b>
Clara Barton National Historic Site	
Colonial National Historical Park	
Colorado National Monument	3
Congaree Swamp National Monument	
Constitution Gardens	
Coronado National Memorial	
Cowpens National Battlefield	5
Crater Lake National Park <sup>a</sup>	
Craters of the Moon National Monument	4
Cumberland Gap National Historical Park	5
Cumberland Island National Seashore	
Curecanti National Recreation Area	
Cuyahoga Valley National Recreation Area	85
Dayton Aviation Heritage National Historical Park	28
De Soto National Memorial	
Death Valley National Park	139
Delaware National Scenic River	
Delaware Water Gap National Recreation Area	
Denali National Park <sup>a</sup>	28
Denali National Preserve	
Devils Postpile National Monument	19
Devils Tower National Monument	
Dinosaur National Monument <sup>a</sup>	3
Dry Tortugas National Park	4
Ebey's Landing National Historical Reserve	
Edgar Allan Poe National Historic Site	
Edison National Historic Site	7
Effigy Mounds National Monument	5
Eisenhower National Historic Site <sup>a</sup>	8
El Malpais National Monument	
El Morro National Monument	
Eleanor Roosevelt National Historic Site	
Eugene O'Neill National Historic Site	8
Everglades National Park <sup>a</sup>	16
Federal Hall National Memorial	
Fire Island National Seashore	4

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Dollars in thousands

<b>National park</b>	<b>Estimated donation</b>
First Ladies National Historic Site	
Flight 93 National Memorial	
Florissant Fossil Beds National Monument <sup>a</sup>	
Ford's Theatre National Historic Site	
Fort Caroline National Memorial	
Fort Clatsop National Memorial	55
Fort Davis National Historic Site	
Fort Donelson National Battlefield	4
Fort Frederica National Monument	
Fort Laramie National Historic Site	
Fort Larned National Historic Site	
Fort Matanzas National Monument	2
Fort McHenry National Monument & Historic Shrine	
Fort Necessity National Battlefield	
Fort Point National Historic Site	
Fort Pulaski National Monument	
Fort Raleigh National Historic Site	
Fort Scott National Historic Site	
Fort Smith National Historic Site	4
Fort Stanwix National Monument	3
Fort Sumter National Monument	40
Fort Union National Monument	
Fort Union Trading Post National Historic Site	2
Fort Vancouver National Historic Site	
Fort Washington Park	
Fossil Butte National Monument	8
Franklin Delano Roosevelt Memorial <sup>a</sup>	
Frederick Douglass National Historic Site	
Frederick Law Olmsted National Historic Site	2
Fredericksburg & Spotsylvania County Battlefields Memorial National Military Park	
Friendship Hill National Historic Site	
Gates of the Arctic National Park	7
Gates of the Arctic National Preserve	
Gateway National Recreation Area	520
Gauley River National Recreation Area	
General Grant National Memorial	

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Dollars in thousands

<b>National park</b>	<b>Estimated donation</b>
George Rogers Clark National Historical Park	
George Washington Birthplace National Monument <sup>a</sup>	
George Washington Carver National Monument	3
George Washington Memorial Parkway	
Gettysburg National Military Park <sup>a</sup>	1
Gila Cliff Dwellings National Monument	
Glacier Bay National Park <sup>a</sup>	10
Glacier Bay National Preserve	
Glacier National Park	7,867
Glen Canyon National Recreation Area	3
Golden Gate National Recreation Area <sup>a</sup>	411
Golden Spike National Historic Site	
Governor's Island National Monument	
Grand Canyon National Park <sup>a</sup>	33
Grand Portage National Monument	19
Grand Teton National Park <sup>a</sup>	50
Grant-Kohrs Ranch National Historic Site	
Great Basin National Park	
Great Egg Harbor Scenic and Recreational River	
Great Sand Dunes National Monument	
Great Sand Dunes National Preserve	
Great Smoky Mountains National Park	90
Greenbelt Park	
Guadalupe Mountains National Park	5
Guilford Courthouse National Military Park	
Gulf Islands National Seashore	
Hagerman Fossil Beds National Monument	
Haleakala National Park <sup>a</sup>	1
Hamilton Grange National Memorial	
Hampton National Historic Site	
Harpers Ferry National Historical Park <sup>a</sup>	102
Harry S. Truman National Historic Site	4
Hawaii Volcanoes National Park <sup>a</sup>	
Herbert Hoover National Historic Site	
Hohokam Pima National Monument	
Home of Franklin D. Roosevelt National Historic Site <sup>a</sup>	

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<b>National park</b>	<b>Estimated donation</b>
Homestead National Monument of America	
Hopewell Culture National Historical Park	2
Hopewell Furnace National Historic Site	7
Horseshoe Bend National Military Park	
Hot Springs National Park <sup>a</sup>	
Hovenweep National Monument	
Hubbell Trading Post National Historic Site	
Independence National Historical Park <sup>a</sup>	4
Indiana Dunes National Lakeshore	4
Isle Royale National Park <sup>a</sup>	69
James A. Garfield National Historic Site	
Jean Lafitte National Historical Park & Preserve	
Jefferson National Expansion Memorial	5
Jewel Cave National Monument	3
Jimmy Carter National Historic Site	
John D. Rockefeller, Jr., Memorial Parkway	
John Day Fossil Beds National Monument	3
John Fitzgerald Kennedy National Historic Site	
John Muir National Historic Site	16
Johnstown Flood National Memorial	16
Joshua Tree National Park	55
Kalaupapa National Historical Park	
Kaloko-Honokohau National Historical Park	4
Katmai National Park <sup>a</sup>	7
Katmai National Preserve	
Kenai Fjords National Park	12
Kennesaw Mountain National Battlefield Park	
Keweenaw National Historical Park	
Kings Canyon/Sequoia National Parks	115
Kings Mountain National Military Park	
Klondike Gold Rush National Historical Park	44
Knife River Indian Villages National Historic Site	1
Kobuk Valley National Park	7
Korean War Veterans Memorial	
Lake Chelan National Recreation Area	
Lake Clark National Park	7
Lake Clark National Preserve	

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<b>National park</b>	<b>Estimated donation</b>
Lake Mead National Recreation Area	4
Lake Meredith National Recreation Area	
Lake Roosevelt National Recreation Area	
Lassen Volcanic National Park	69
Lava Beds National Monument	33
Lincoln Boyhood National Memorial <sup>a</sup>	3
Lincoln Home National Historic Site	
Lincoln Memorial <sup>a</sup>	
Little Bighorn Battlefield National Monument	
Little River Canyon National Preserve	
Little Rock Central High School National Historic Site	
Longfellow National Historic Site	
Lowell National Historical Park	40
Lyndon Baines Johnson National Historical Park	18
Lyndon Baines Johnson Memorial Grove on the Potomac	
Maggie L. Walker National Historic Site	
Mammoth Cave National Park	3
Manassas National Battlefield Park	5
Manzanar National Historic Site	36
Marsh - Billings National Historical Park	
Martin Luther King Jr. National Historic Site	2
Martin Van Buren National Historic Site	
Mary McLeod Bethune Council House National Historic Site	
Mesa Verde National Park	5
Minidoka Internment National Monument	
Minute Man National Historic Park	24
Minuteman Missile National Historic Site	5
Mississippi National River & Recreation Area	
Missouri National Recreation River	
Mojave National Preserve	4
Monocacy National Battlefield	
Montezuma Castle National Monument	
Moores Creek National Battlefield	
Morristown National Historical Park	
Mount Rainier National Park	4

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<b>National park</b>	<b>Estimated donation</b>
Mount Rushmore National Memorial <sup>a</sup>	110
Muir Woods National Monument	
Natchez National Historical Park	
Natchez Trace National Scenic Trail	
Natchez Trace Parkway	4
National Capital Parks - East	
National Mall	14
National Park of American Samoa	2
Natural Bridges National Monument	
Navajo National Monument	
New Bedford Whaling National Historical Park	5
New Orleans Jazz National Historical Park <sup>a</sup>	
New River Gorge National River	4
Nez Perce National Historical Park	
Nicodemus National Historic Site	
Ninety-Six National Historic Site	5
Niobrara National Scenic Riverway	
Noatak National Preserve	7
North Cascades National Park	11
Obed Wild and Scenic River	2
Ocmulgee National Monument	1
Olympic National Park	
Oregon Caves National Monument	3
Organ Pipe Cactus National Monument	
Ozark National Scenic Riverways	
Padre Island National Seashore	5
Palo Alto Battlefield National Historic Site	
Pea Ridge National Military Park	5
Pecos National Historical Park	25
Pennsylvania Avenue National Historic Site	
Perry's Victory & International Peace Memorial	
Petersburg National Battlefield	
Petrified Forest National Park	7
Petroglyph National Monument	
Pictured Rocks National Lakeshore	2
Pinnacles National Monument	

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<b>National park</b>	<b>Estimated donation</b>
Pipe Spring National Monument	
Pipestone National Monument	2
Piscataway Park	
Point Reyes National Seashore	
Potomac Heritage National Scenic Trail	2
Poverty Point National Monument	
Prince William Forest Park	
Pu'uhonua o Honaunau National Historical Park	
Puukohola Heiau National Historic Site	
Rainbow Bridge National Monument	3
Redwood National Park	5
Richmond National Battlefield Park	5
Rio Grande Wild and Scenic River	
Rock Creek Park	47
Rocky Mountain National Park	52
Roger Williams National Memorial	
Rosie the Riveter WWII Home Front National Historic Park	86
Ross Lake National Recreation Area	
Russell Cave National Monument	
Sagamore Hill National Historic Site	
Saguaro National Park	
Saint Croix Island International Historic Site	
Saint Croix National Scenic Riverway	
Saint Paul's Church National Historic Site	
Saint-Gaudens National Historic Site	1
Salem Maritime National Historic Site	16
Salinas Pueblo Missions National Monument	
Salt River Bay National Historical Park and Ecological Preserve	
San Antonio Missions National Historical Park	5
San Francisco Maritime National Historical Park	45
San Juan Island National Historical Park	3
San Juan National Historic Site	13
Santa Monica Mountains National Recreation Area <sup>a</sup>	5
Saratoga National Historical Park	
Saugus Iron Works National Historic Site	

**Appendix IV  
Proud Partners of America Program  
Contributions and Pledges as Reported by  
the National Park Foundation**

*(Continued From Previous Page)*

Dollars in thousands

<b>National park</b>	<b>Estimated donation</b>
Scotts Bluff National Monument	32
Shenandoah National Park	4
Shiloh National Military Park	2
Sitka National Historical Park	7
Sleeping Bear Dunes National Lakeshore	9
Springfield Armory National Historic Site <sup>a</sup>	8
Statue of Liberty National Monument <sup>a</sup>	5
Steamtown National Historic Site	
Stones River National Battlefield	3
Sunset Crater Volcano National Monument	
Tallgrass Prairie National Preserve	5
Thaddeus Kosciuszko National Memorial	
Theodore Roosevelt Birthplace National Historic Site	
Theodore Roosevelt Inaugural National Historic Site	
Theodore Roosevelt Island	
Theodore Roosevelt National Park	
Thomas Jefferson Memorial	
Thomas Stone National Historic Site	
Timpanogos Cave National Monument	
Timucuan Ecological & Historic Preserve	
Tonto National Monument	
Tumacacori National Historical Park	
Tupelo National Battlefield	
Tuskegee Airman National Historic Site	
Tuskegee Institute National Historic Site	
Tuzigoot National Monument	
Ulysses S. Grant National Historic Site	
Upper Delaware Scenic and Recreational River	
USS Arizona Memorial	
Valley Forge National Historical Park	27
Vanderbilt Mansion National Historic Site	204
Vicksburg National Military Park	
Vietnam Veterans Memorial <sup>a</sup>	
Virgin Islands Coral Reef National Monument	
Virgin Islands National Park	
Voyageurs National Park	24



**Appendix IV**  
**Proud Partners of America Program**  
**Contributions and Pledges as Reported by**  
**the National Park Foundation**

(Continued From Previous Page)

Dollars in thousands

<b>National park</b>	<b>Estimated donation</b>
Walnut Canyon National Monument	
War in the Pacific National Historical Park	4
Washington Monument <sup>a</sup>	
Washita Battlefield National Historic Site	
Weir Farm National Historic Site	5
Whiskeytown—Shasta—Trinity National Recreation Area	63
White House	
White Sands National Monument	
Whitman Mission National Historic Site	
William Howard Taft National Historic Site	
Wilson's Creek National Battlefield	
Wind Cave National Park	5
Wolf Trap Farm Park for the Performing Arts	16
Wrangell – St. Elias National Park <sup>a</sup>	11
Wrangell – St. Elias National Preserve	
Wright Brothers National Memorial	100
Wupatki National Monument	
Yellowstone National Park <sup>a</sup>	173
Yosemite National Park <sup>a</sup>	681
Yucca House National Monument	
Yukon - Charley Rivers National Preserve	7
Zion National Park	5

Source: GAO analysis of National Park Foundation data.

<sup>a</sup>National parks featured in promotional programming or materials by Discovery Communications or *TIME* magazine. According to Foundation officials, these are systemwide benefits and the estimated value of these promotions was not included in this table. The estimated donation total does not include assistance provided to Park Service regions and the Women's Rights National Historical Park, which received less than \$200.

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# Foundation Compensation

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The Foundation's Board of Directors establishes compensation for the chief executive officer (CEO) on the basis of comparisons with persons in similar positions in big foundations and major nonprofits. The CEO, within the established Foundation budget, sets compensation for the Foundation's staff. In 2003, the Foundation's CEO received compensation of \$311,000 (excluding fringe benefits). This amount included the following:

- \$220,000—salary
- \$40,000—bonus
- \$51,000—retirement contributions and deferred compensation

In fiscal 2002, compensation (excluding fringe benefits) for other senior management staff was as follows:

- \$173,009—chief operating officer
- \$132,471—senior vice president, marketing and communications
- \$120,743—vice president, field development
- \$87,419—senior director, finance

The salaries of executive directors of the Foundation's affiliated groups in fiscal year 2002 ranged from \$84,000 at Outside Las Vegas to \$40,000 at the Glacier Fund.

Generally, reasonable compensation is defined as an amount that similar persons in similar positions with similar duties at similar organizations are paid. Although there are no hard-and-fast rules for setting compensation, the Internal Revenue Service applies three conditions when evaluating the reasonableness of executive compensation set by foundations and nonprofits: (1) approval by a board of directors that does not have a conflict of interest with respect to the compensation arrangement, (2) reliance on comparable data such as compensation surveys, and (3) adequately document the basis for the determination concurrently with making the determination. The Foundation has not made its salary information publicly available. The Foundation is exempt from all taxes, and the Internal Revenue Service has issued an opinion that the Foundation need not file a tax-exempt report. The Foundation recently decided that it would file a tax report for fiscal year 2003.

In setting its CEO's compensation, the Foundation's Executive Committee relied on a compensation survey published in the *Chronicle of Philanthropy* that captured CEO compensation (mainly salary) and total assets managed by the organizations. Although the Foundation's total assets were about \$89 million in fiscal year 2003 (revenue was \$52 million and program contributions were about \$43 million), Foundation officials decided that compensation data from the survey's list of "Big Foundations" and "Major Nonprofit Organizations" (\$500 million to \$1 billion organizations) were most applicable to the Foundation. Foundation officials explained that the Foundation provides benefits (including direct grants) of \$50 million a year, and that grant-making foundations with \$500 million in assets would ordinarily make grants of 5 percent of that amount, or \$25 million. On the basis of its comparison with big foundations and major nonprofit organizations, the Foundation's Executive Board concluded that its CEO compensation was within the correct range.

Table 6 compares CEO compensation among the Foundation and nine nonrandomly selected nonprofit organizations, as recorded on their tax reports.<sup>1</sup> Six of the nine organizations we included had greater revenues and assets than the Foundation; of these six, four compensation packages were below the Foundation CEO's compensation. Two of the nine organizations had revenue and assets that were below the Foundation's; both had compensation that was below the Foundation CEO's. One organization had lower revenues but higher assets. The CEO's compensation for this nonprofit was below that of the Foundation's CEO. According to the Congressional Budget Office, the median salary for chief executives at nonprofits with annual budgets of \$25 million or more was about \$176,800 in 2002. We focused on CEO compensation because, although other employees are hired and can resign or be terminated relatively freely, CEOs are generally hired on a contractual basis and the terms of their employment can vary considerably. In addition, CEO compensation, including CEO nonprofit compensation, has been the subject of considerable scrutiny and criticism in recent years.

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<sup>1</sup>The organizations in table 6 were not randomly selected. Rather, a list of nonprofits involved with land, wildlife, or environmental activities and known by GAO staff was compiled. Those nonprofits with revenue or assets that were greater than or similar to the Foundation's are included in our table. At the suggestion of a Foundation representative, we included compensation data from the congressionally chartered National Trust for Historic Preservation in the United States, which the representative described as "strikingly similar" to the Foundation in design, purpose, geographic location, revenues, and program expenditures.

**Appendix V  
Foundation Compensation**

**Table 6: Comparison of Nonprofit CEO/President Salaries for 2001 or 2002**

Organization	Organization's revenues and assets		Nonprofit CEO/President salaries	
	Revenue (millions)	Assets (millions)	Compensation, including bonuses (thousands)	Contributions and deferred compensation (thousands) <sup>a</sup>
National Park Foundation <sup>b</sup> (2002)	\$45	\$83	\$270,000	\$77,440
Chesapeake Bay Foundation (2002)	23	68	136,707	14,844
The Conservation Fund (2001)	64	218	192,294	16,213
Environmental Defense (2002)	42	54	286,539	40,875
National Audubon Society (2002)	79	221	285,000	26,247
National Fish and Wildlife Foundation <sup>b</sup> (2002)	54	145	214,050	8,133
Nature Conservancy (2002)	972	3,282	378,366	20,867
National Trust for Historic Preservation <sup>b</sup> (2002)	48	150	306,000	93,301
Sierra Club Foundation (Executive Director) (2001)	24	108	127,265	10,739
World Wildlife Fund (2002)	93	240	265,000	32,991

Source: Guidestar.com Web site (Philanthropic Research, Inc.).

<sup>a</sup>Includes payments to welfare benefit plans that may provide medical and life insurance.

<sup>b</sup>Congressonally chartered organizations.

# Comments from the National Park Service



## United States Department of the Interior

NATIONAL PARK SERVICE  
1849 C Street, N.W.  
Washington, D.C. 20240

IN REPLY REFER TO:

April 28, 2004

Mr. Barry Hill, Director  
Natural Resources and Environment  
441 G Street, NW Room 2P23A  
Washington, DC 20548

Dear Mr. Hill:

Thank you for the opportunity to comment on the Draft Report *NATIONAL PARK FOUNDATION: Better Communication of Roles and Responsibilities Needed to Strengthen Partnership with the National Park Service* (GAO-04-514). This report contains very helpful information that will assist us in establishing stronger working relations and partnerships with the National Park Foundation. The following comments are those of the National Park Service (NPS). Previous comments from the National Park Foundation (Foundation) were submitted on April 26, 2004.

Overall, we support the report's findings that there is a need to document and formalize roles, responsibilities, goals, and communications between the Foundation and NPS. The report does address the need to clarify the relationship between the Foundation's fundraising policy of supporting system-wide projects that are not federally funded and the new efforts by the Foundation to satisfy individual park needs with discretionary donations through their grant program. NPS is committed to working with the Foundation to also clarify the Foundation's implementation of the Omnibus National Park Act of 1998, in which Congress amended the National Park Foundation charter, instructing the Foundation to design and implement a comprehensive program to assist and promote philanthropic programs of support at the individual national park unit level.

While we recognize that there has been some confusion and miscommunication due to the lack of a general agreement between the Foundation and NPS, we believe that the relationship between the two organizations continues to grow stronger. However, we acknowledge that general agreements, fundraising agreements, lists of park priorities, training, and standard operating procedures will best establish the necessary roles and responsibilities to ensure greater partnership success between NPS and the Foundation.

NPS generally agrees with Report recommendations and is moving forward in many areas to address the report's findings.

Comments on Report Recommendations for Executive Action

- NPS concurs with the recommendation to work collaboratively with the Foundation to develop an overall written agreement that, among other things, articulates the Foundation's fundraising strategy and clarifies the roles and responsibilities of the Foundation and Park Service in their partnering relationship. NPS has identified a team of individuals including representatives of the Department of the Interior's Solicitor's Office to work collaboratively with the Foundation to develop an overall written agreement which includes goals for both parties.
- NPS concurs with the recommendation to identify and document all current and future fundraising agreements made with the Foundation, specifying the terms of work agreed to by each party. NPS will work with the Foundation to develop general agreements and fundraising agreements as required under Director's Order #21 – Donations and Fundraising for all current and future fundraising.
- NPS concurs with the recommendation to provide a list of individual park project priorities, including those potentially fundable by nonprofits, and communicate them to the Foundation for consideration in fundraising. NPS will develop a process to meet this recommendation and will share the list with the Foundation and other national and park-based support organizations as appropriate.
- NPS concurs with the recommendation to develop and implement internal controls such that fundraising agreements are documented in writing and subsequent performance is tracked against the agreement. NPS concurs that informal or verbal agreements are not acceptable ways of entering into fundraising arrangements. NPS is revising Director's Order #21, which will address the internal controls of agreements for fundraising and donations. NPS will work with the Foundation to develop a process to track implementation and performance of these agreements.
- NPS concurs with the recommendation to clarify whether the exclusivity terms in Foundation agreements with Proud Partners apply to park-based cause-related marketing arrangements and communicate this to all of the Park Service's fundraising partners. NPS is assessing the issue, documenting the four current program goals, developing procedures to govern Proud Partner and cause-related marketing activities, and will make appropriate changes to the *Corporate and Business Donation* section of Director's Order #21. The revised Director's Order will be made available to all Park Service fundraising partners.

Comment of the Report Recommendations to the National Park Foundation

- NPS agrees with the recommendation to the Foundation to enter into an overall written agreement with the Park Service that includes its fundraising strategy and clarifies the roles and responsibilities of the Foundation and the Park Service in their partnering relationship. NPS has identified a team of individuals including representatives of the Department of the Interior's Solicitor's Office to work collaboratively with the Foundation to develop an overall written agreement which will include goals for both parties.
- NPS agrees with the recommendation to the Foundation to identify and document all current and future fundraising agreements made with the Park Service, specifying the terms of work agreed to by each party. See NPS comments above.
- NPS supports this recommendation for the Foundation to develop a process, either through training or briefings, to help ensure complete and consistent understanding of its fundraising strategy and roles and responsibilities with the National Park Service headquarters, regional, and local park officials. NPS will seek to collaborate with the Foundation on this critical communication effort to assure clarity of mission, roles, and responsibilities.
- NPS support the recommendation for the Foundation to consider the list of individual park priorities compiled and provided by the Park Service, in developing its fundraising approach. This list could be used for identifying patterns of park needs for system-wide projects as well as for identifying specific needs that may be of interest for potential donors. NPS commits to developing a process to compile such a list to share with the Foundation. NPS commits to playing a greater role in the initial steps of the Foundation's Fundraising and Grant Making Process.

We thank you once again for the opportunity to review and comment on the report. If you have any questions regarding this response, please contact Associate Director, Christopher Jarvi at 202-208-4829.

Sincerely,



Fran P. Mainella  
Director

# Comments from the National Park Foundation

Note: GAO comments supplementing those in the report text appear at the end of this appendix.



11 Dupont Circle, NW  
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Washington, DC 20036-1224

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www.nationalparks.org

April 22, 2004

Mr. Roy K. Judy  
Assistant Director  
Natural Resources and Environment  
U.S. General Accounting Office  
441 G Street, N.W.  
Washington, D.C. 20548

Dear Mr. Judy:

Thank you for this opportunity to comment on the draft audit report entitled "Better Communication of Roles and Responsibilities Needed to Strengthen Partnership with the National Park Service."

Let me first say how pleased I am that your thorough review of our management and financial policies and practices -- one conducted over more than seven months and which included the review of thousand of pages of documents and many interviews -- found no significant management or financial concerns. It was our pleasure to cooperate fully with you and your audit team.

Your report makes four recommendations with respect to the National Park Foundation ("NPF"). We look forward to working toward accomplishing each one.

First, you recommended that the NPF: "Enter into an overall written agreement with the National Park Service that includes its fundraising strategy and clarifies the roles and responsibilities of the Foundation and the Park Service in their partnering relationship." Although we do not share your conclusion that such an agreement is needed, we recognize the need for close coordination between NPF and the National Park Service. We believe that the federal statute creating NPF established a procedure for ensuring that cooperation: The Secretary of Interior is Chairman of the Board and she has the authority to appoint all Board members. In addition, the Director of the National Park Service serves as Secretary of the Board. In our opinion, Board Chairmanship and the right to appoint Board members are much more effective cooperation forcing tools than "overall written agreements." Further, as your report recognizes, we have recently launched an extensive consultative process with the National Park Service regarding our fund raising and grant making programs and have created Standard Operating Procedures between NPF and NPS for our flagship programs. Nevertheless, we commit to work cooperatively with the National Park Service to explore the scope and terms of a possible overall written agreement between both entities.

Second, you recommend that the NPF: "Identify and document all current and future fundraising agreements made with the Park Service, specifying the terms of work agreed to by each party." We

THE NATIONAL PARK FOUNDATION: CHARTERED BY CONGRESS, *strengthens the enduring connection* BETWEEN THE AMERICAN PEOPLE AND THEIR NATIONAL PARKS.

See comment 1.



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**Appendix VII  
Comments from the National Park  
Foundation**

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commit to executing such an agreement whenever the NPF undertakes a specific fundraising campaign.

Third, you recommend that the NPF, "Develop a process, either through training or briefings, to help ensure complete and consistent understanding of its fundraising strategy and roles and responsibilities with the National Park Service headquarters, regional, and local park officials." Such a program is already aggressively underway. We commit to completing the program promptly.

Fourth, you recommend that the NPF: "In developing its fundraising approach, consider the list of individual park priorities compiled and provided by the Park Service." We commit to considering such a list as we develop our fundraising approaches.

Finally, in the attachment to this letter we set out several clarifications, corrections and modifications to the body of the report.

Thank you again for this opportunity to respond. We are proud of our role as the national Congressionally-recognized partner of the National Parks. We are also proud of the recent growth of the NPF and the private resources which we make available to support our national parks.

Sincerely,



Jim Maddy  
President

**Appendix VII  
Comments from the National Park  
Foundation**



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**Attachment**

The report sites three specific areas that require correction/clarification:

**1. Proud Partner Program**

The Report states that there is disagreement between the National Park Service and NPF about the Foundations' fundraising and donation strategy and the objectives of the Proud Partner program. In response, the Foundation fully supports and continues to operate on the original stated goals of the Proud Partner program as reflected in the National Park Service Memorandum to the Field, signed by Acting Director Deputy Galvin. *"The Proud Partner program is designed to accomplish three goals: Expand our ability to reach the American public with information about the depth and breadth of the national parks and the mission of the National Park Service; Promote the National Parks Pass in ways that invite the public to experience these places and to join in their stewardship; and, provide direct support for National Park Service priorities."* The determination of specific National Park Service priorities that receive support from the Proud Partner program is also influenced by the restrictions placed on the gifts, by the donor. These restrictions were fully discussed and approved, in advance, by the National Park Service. NPF's experience is that projects with systemwide impact are a priority with donors.

The Report goes on to state that the Glacier Red Bus restoration, supported by the Ford Motor Company, a Proud Partner of America's National Parks, conflicts with this systemwide strategy. In fact, the Glacier Red Bus project is the signature project of a comprehensive, systemwide transportation program funded by Ford, designed to help the NPS advance innovative transportation solutions that preserve resources while providing safe and enjoyable access to National Parks. To date, this project has resulted in the donation of 600 electric vehicles and numerous K2 mountain bikes to multiple National Parks; 35 students per year participating in parks across the country ranging from Scott's Bluff (Arizona) to the Everglades (Florida) as transportation interpreters; 17 graduate and post-graduate students living and working in National Parks ranging from Fort Clatsop (Oregon) to Gateway National Recreation Area (New York) to work on solutions to transportation problems.

Last, the Report states there is confusion between the National Park Service and NPF regarding potential conflicts to the Proud Partner program. The NPF fully understands and supports the policy parameters of the Proud Partner program as reflected in D.O. 21. *"By written agreement, the NPS has delegated to the NPF, in recognition of its charter to support the entire NPS, management of all national cause-related marketing campaigns that have Servicewide benefits."* NPF operates in full compliance with this policy and with full knowledge and support of the policy by National Park Service leadership. In January 2004, a potential conflict was identified. NPF and National Park Service leadership met, reviewed and agreed upon the policy parameters, and worked through the potential conflict satisfactorily. NPF and the National Park Service leadership recognize that potential conflicts only arise under circumstances where park-based projects include a national cause-marketing component. In such an event, the project is to be referred to the Director, National Park Service for review.

See comment 2.

See comment 3.

See comment 4.

**Appendix VII  
Comments from the National Park  
Foundation**



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**2. Park Fundraising projects: Little Bighorn and Ebenezer Baptist Church.**

The Report provides two examples where the National Park Service felt the NPF agreed to provide fundraising support which did not materialize – Little Bighorn and Ebenezer Baptist Church.

In response, it should be understood that there are no guarantees in the world of fundraising, and certain unanticipated variables often come to light that impact a project's success. In the case of the Ebenezer Baptist Church, however, NPF provided direct grants of \$469,000, toward an original goal of \$500,000, and worked as a partner with the park to facilitate an additional \$614,000 toward that project through NPF's African American Experience Fund.

In the case of Little Bighorn Battlefield National Monument, a professional feasibility study was conducted using outside consultants that stated that for the \$1 million - \$1.5 million campaign for a new memorial to be successful, the first support must come from the Native American community. National Park Service – Intermountain Region and NPF were both informed of the results of the feasibility study and agreed with its conclusions. In reaching out to the tribes, it became apparent to both the National Park Service and NPF that this support would not be forthcoming, the Native American community had more pressing priorities in need of private sector support, and therefore, despite a fully professional effort, the overall fundraising did not succeed.

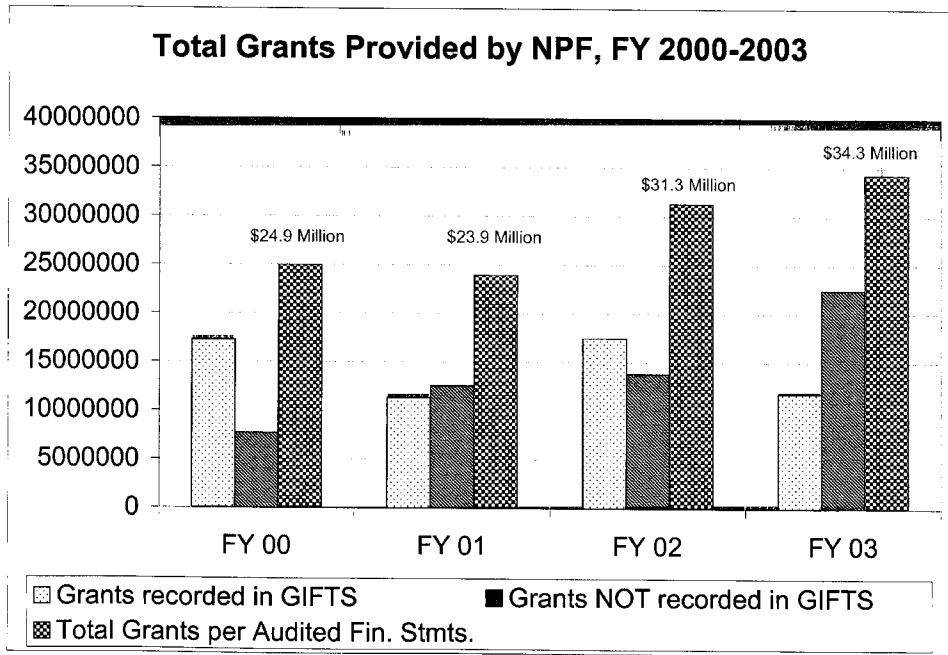
**3. NPF Grants**

The National Park Foundation believes the chart derived by the GAO from our GIFTS database understates the full amount of the Foundation's grants significantly. We recognize that not all grants are included in GIFTS for several reasons, primarily the new installation of the system or the restricted designation of the grant funds for a specific individual park priority such that the grant could not be bid or used for any other park or purpose. We provide the chart (attached) so that readers of this report will understand the full extent of the Foundation's grants.

See comment 5.

See comment 6.

**Appendix VII  
Comments from the National Park  
Foundation**



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The following are GAO's comments on the National Park Foundation's letter dated April 22, 2004.

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## GAO Comments

1. We agree that the Foundation's charter and the positions held by the Secretary of the Interior and the Director of the Park Service on the Foundation's board are important elements of coordination between the Foundation and the Park Service. This arrangement is an important part of the Foundation's governance structure. Because neither the Secretary of the Interior, nor the Director of the Park Service, nor the appointed board members are responsible for, or involved with, daily operational relationships, additional safeguards are needed at the operational levels to help ensure effective communication and working relationships. Although board policies and guidance can facilitate effective communication and working relationships, it is the Foundation's managers and staff that are responsible for ensuring the actual implementation of such policies and guidance. As our report indicates, implementation can be improved. We continue to believe that a comprehensive written agreement between the Foundation and the Park Service would further enhance communication, working relationships, and management controls at all levels of their partnership. Furthermore, as evidenced by the Park Service's comments, it also agrees that such an agreement is needed to help improve communications between it and the Foundation.
2. Although we recognize the influences that donors have in directing support provided through the Foundation (see pp. 9 and 38 of the report), we believe that the Foundation's comments are overall inconsistent with its literature, our prior conversations with its officials, the views of some Park Service regional officials, and our review of Proud Partner Program grants. As stated on page 19 of the report, and supported by discussions with Foundation officials, the literature of the Foundation does not mention providing direct support for National Park Service priorities as an objective of the Proud Partners Program. Moreover, as noted on page 18, this interpretation is inconsistent with views held by several park regional officials who believed that the program should be targeted at securing support for individual park priorities as opposed to systemwide needs. Finally, this interpretation appears incongruent with some grants that have been issued under the Proud Partner Program. As noted on page 19 of the report, our review found that some Proud Partner grants, such as those used to restore the red bus fleet at Glacier National Park, principally

appear to support local, rather than systemwide, Park Service priorities.

3. The Foundation takes issue with our mentioning the Glacier red bus renovation as an example of an inconsistency in application of its program strategy. Although we agree that several cited transportation initiatives provided systemwide benefits, most of these initiatives' support did not provide systemwide benefits. For example, of about 500 electric vehicles donated during the period we examined, 225 went primarily to California state parks (parks not affiliated with the National Park Service). Additionally, virtually all of the 275 electric vehicles donated to Park Service units were directed to park units only in California. Further, the National Park Service Director as well as the Park Service's Associate Director for Partnerships, Interpretation and Education, Volunteers, and Outdoor Recreation referred to the Glacier bus restoration as supporting a local park project (see p. 19).
4. We do not agree with the Foundation's position that potential conflicts only arise under circumstances where a park-based project involves a *national* marketing component. Director's Order 21 states that when the Foundation has a national cause-related marketing arrangement, this may take precedence over a park-based cause-related marketing effort in the same business category. The order does not specify that the precedence applies only when the park-based project has a *national* marketing component as interpreted by the Foundation. Further, as reported on page 20, Interior's Office of the Solicitor officials, along with nonprofit officials with whom we spoke, believe that park-based agreements, in the same business category as a Proud Partner, were generally prohibited. Thus, we continue to believe (1) that there is general confusion in the Park Service, especially in the field locations, regarding the applicability of the Proud Partner exclusivity terms to park-based cause-related marketing arrangements and (2) that the Foundation should help further clarify this issue.
5. Although there is evidence that the Foundation has contributed funding toward renovation of the Ebenezer Baptist Church (a facility within the Martin Luther King, Jr., National Historic Site) and did complete a feasibility study for the Native American monument at the Little Bighorn National Monument, the exact terms and conditions for these two fund-raising efforts is speculative because there was no written agreement. Our point in this section is not whether the Foundation did or did not provide support. Rather, the examples illustrate that verbal

fund-raising agreements can lead to disagreements about whether commitments were met. Verbal agreements also provide little means for measuring performance in such arrangements.

6. We agree that the information contained in figure 8 may understate the full amount of grants issued by the Foundation for fiscal years 2000 through 2003. On page 28, we clearly stated that the GIFTS database was incomplete. At the time we completed our audit work, the Foundation had not provided us with information showing the extent to which the database was incomplete. We have revised figure 8 to reflect those total grant amounts contained in the Foundation's audited financial statements.

# GAO Contact and Staff Acknowledgments

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## GAO Contact

Barry T. Hill (202) 512-3841 ([hillbt@gao.gov](mailto:hillbt@gao.gov))

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## Staff Acknowledgments

In addition to the individual named above, John C. Johnson, Roy K. Judy, Stephanie A. Luehr, Jonathan S. McMurray, Peter J. Oswald, and Amy E. Webbink made key contributions to this report.



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