



INSTITUTE *of*
Museum and Library
SERVICES

Performance and Accountability Report

Fiscal Year 2011

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I. Introduction

A Message from the Director

On behalf of the Institute of Museum and Library Services (IMLS), I am pleased to present the agency's Performance and Accountability Report for fiscal year (FY) 2011. The report sets forth the agency's goals and objectives and highlights agency programmatic, operational, and financial performance for the past year.

IMLS, an independent federal agency, helps create strong libraries and museums that connect people to information and ideas. IMLS works at the national level and in coordination with state and local organizations to sustain heritage, culture, and knowledge; enhance learning and innovation; build professional capacity; and attain excellence in federal management, operations, and service.



In FY 2011, IMLS made 725 grants totaling over \$225M to eligible institutions, which include the full range of museums, including zoos, art, history, science and technology, children's, and natural history museums; historic houses, nature centers, and botanical gardens; and all types of libraries, including public, school, academic, research, and archival. In addition, agency research, evaluation, policy analysis, and partnerships help make it possible for libraries and museums to be leaders in their communities.

FY 2011 was the third full year of consolidation of disparate library-related data collection and policy analysis functions from the Department of Education and the National Commission on Libraries and Information Sciences into IMLS. This year IMLS completed its third large study since the consolidation, *Opportunity for All: How Library Policies and Practices Impact the Public*. We also expanded our work on museums, libraries, and 21st century skills and partnered with the Department of Labor to encourage beneficial collaborations between libraries and the public workforce system. These and other special leadership initiatives are described in the pages that follow.

Deep community connections allow museums and libraries to focus on real needs such as fighting childhood obesity and substance abuse, supporting homeless families and teen parents, meeting needs of the unemployed and immigrant communities, addressing climate change, and providing help to people with disabilities. Examples of IMLS-supported projects in all of these areas and more are included in this report.

Fiscal responsibility and accountability remain a top priority at IMLS. In FY 2011, we continued our commitment to improving administrative efficiencies, focusing on high-quality stewardship of public funds and outstanding public service.

I am pleased to affirm that the performance and financial data contained in this report is, to the best of my knowledge, reliable and complete.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Susan H. Hildreth". The signature is written in a cursive style with a prominent initial 'S' and a period after the first name.

Susan H. Hildreth
Director

II. Management's Discussion and Analysis

Introduction

The nation's 17,500 museums and 123,000 libraries are stewards of cultural heritage with rich, authentic content and dedicated, knowledgeable staff. Collectively, they connect people to the full spectrum of human experience: culture, science, history, and art. The nation's museums and libraries strengthen classroom learning and provide powerful out-of-school learning that inspires people throughout their lifetimes and contributes to positive community identity.

Agency Profile

This Performance and Accountability Report demonstrates that IMLS of Museum and Library Services (IMLS) continues to build upon the objectives, strategies, and programs authorized by the Museum and Library Services Act—reauthorized December 22, 2010—and the National Museum of African American History and Culture Act.

Mission: Connecting People to Information and Ideas

IMLS builds the capacity of libraries and museums to promote and support lifelong learning. To remain competitive, Americans must learn continually, adapt to change readily, and evaluate information critically. The nation's 123,000 libraries and 17,500 museums play a fundamental role in creating vibrant, energized communities that help Americans do just that.

As stewards of cultural heritage, museums and libraries have traditionally helped Americans to experience, explore, discover, and make sense of the world. Today, these institutions use the tools of the 21st century—web technologies, broadband, digitization, and social networking—to connect people to information and ideas like never before. Innovating with new technology; creating strong partnerships with community organizations, business, and educators; and using the latest research about learning makes it possible for libraries and museums to offer unprecedented value to the public, fueling knowledge sharing and energizing our economy, creativity, and competitiveness.

Respected in their communities, libraries and museums hold the public trust and play an important role in our democracy by helping to create an informed citizenry. Our role at IMLS is to provide libraries, museums, and policymakers with the resources they need—leadership, data, policy analysis, technical support, and funding—to ensure that the American ideal of open access to information and ideas flourishes.

The Public Benefits of a Strong Library and Museum Sector

Lifelong learning is fundamental to our nation's success. To remain competitive the United States must recognize that formal schooling is only one part of the learning continuum. Thanks to a combination of public and private investment, U.S. libraries and museums are an expansive network of public and nonprofit institutions dedicated to the democratic promise of a free flow of

information and ideas for the public good. The brilliant variety of libraries and museums that support learning in school, out of school, and from infancy to old age is one of the hallmarks of American education.

Organizational Structure

IMLS, an independent federal agency established in 1996, brings together federal library programs, first established in 1956, and federal museum programs established in 1976. The agency supports library and museum services in the United States through population-based state formula grants for libraries, peer-reviewed competitive discretionary grants, cooperative agreements, and partnerships that support both libraries and museums. Libraries and museums use federal funds and leadership provided by IMLS to leverage additional private sector support. Many IMLS grants require a grantee match. IMLS's leadership initiatives have attracted other private sector assistance and resulted in millions of dollars of additional support for libraries and museums.

The agency also provides research, evaluation, and the collection of reliable, current data to inform professional practice and public policy. IMLS contributes to the development of sound information policy particularly in the areas of intellectual property, copyright, and privacy as they relate to scholarship, artistic expression, and the free flow of information and ideas for the public good.

IMLS is led by a director who is a presidential appointee confirmed by the Senate and advised by the National Museum and Library Services Board (NMLSB). IMLS consists of the Office of Museum Services; Office of Library Services; Office of the Chief Financial Officer, Office of the Chief Information Officer; Office of Human Resources; Office of Planning, Research and Evaluation, Office of Communications and Government Affairs; Office of General Counsel; Office of the Director; and Office of Strategic Partnerships.

The NMLSB is a twenty-three-member advisory body that includes IMLS Director, its deputy director for libraries and deputy director for museums, and twenty presidentially appointed, Senate-confirmed individuals with expertise in, or commitment to, library or museum services. Informed by its broad collective knowledge and experience, the NMLSB advises the IMLS director on general policy and practices. The board also provides critical input on selections for the National Medals for Museum and Library Service.

How IMLS Works

Process

IMLS has structured its activities, grant making, research, meetings and conferences, and publications to accomplish the agency's mission of connecting people to information and ideas.

From Plan to Action

The agency's strategic plan ensures that all agency activities link directly to IMLS's mission and goals. Implementation of this plan is the responsibility of all IMLS managers and staff. Annual

metrics that track IMLS progress appear in the annual budget and the Performance and Accountability Report. IMLS's Director, in consultation with the NMLSB, IMLS agency management, the Office of Management and Budget (OMB), and Congress, sets the overall strategic goals and objectives.

IMLS Statutory Role

The Museum and Library Services Act authorizes IMLS to

- promote improvements in library services in all types of libraries in order to better serve the people of the United States;
- facilitate access to resources and in all types of libraries for the purpose of cultivating an educated and informed citizenry;
- encourage resource sharing among all types of libraries for the purpose of achieving economical and efficient delivery of library services to the public;
- encourage and support museums in carrying out their public service role of connecting the whole society to cultural, artistic, historic, natural, and scientific understandings that constitute our heritage;
- encourage and support museums in carrying out their educational role, as core providers of learning and in conjunction with schools, families, and communities;
- encourage leadership, innovation, and applications of the most current technologies and practices to enhance museum services;
- assist, encourage, and support museums in carrying out their stewardship responsibilities to achieve the highest standards in conservation and care of the cultural historic, natural, and scientific heritage of the United States to benefit future generations;
- assist, encourage, and support museums in achieving the highest standards of management and service to the public, and to ease the financial burden borne by museums as a result of their increasing use by the public;
- support resource sharing and partnerships among museums, libraries, schools, and other community organizations; and
- carry out and publish analyses of the impact of museum and library services.

IMLS's approach is to build the capacity of libraries and museums in the United States by supporting

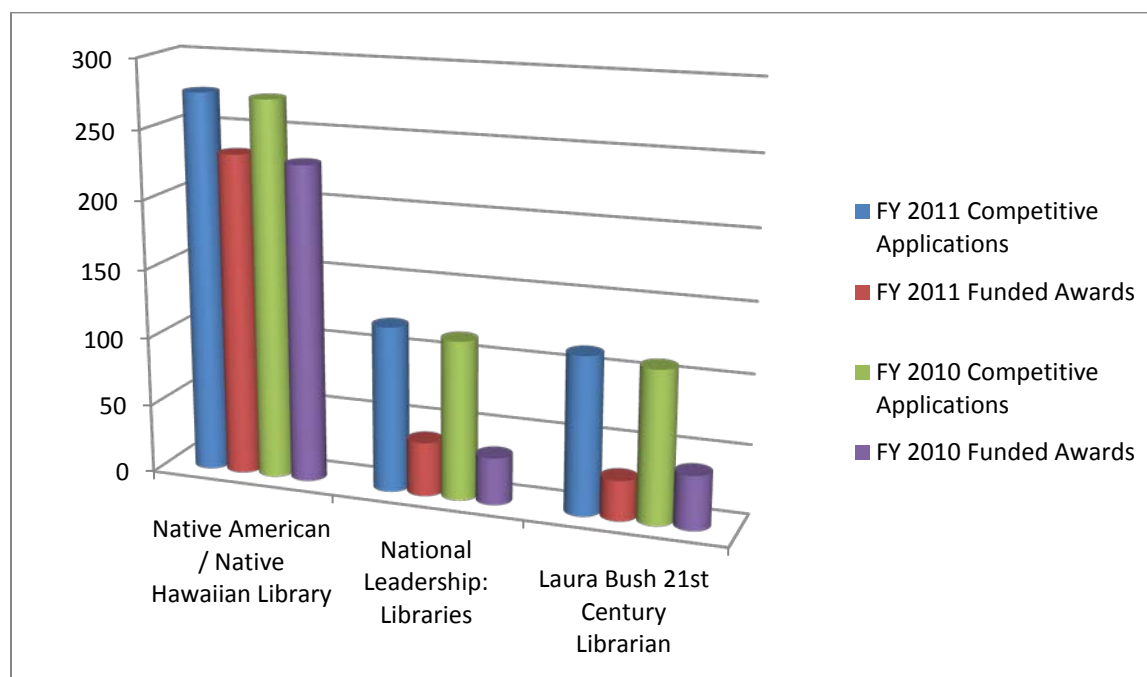
- research and national models for library and museums;
- knowledge-sharing activities (conferences, Web sites, publications);
- partnerships to leverage impact;
- programs in local institutions, and state and national organizations, that apply lessons learned; and
- evaluation of program activities to continue to inform practice.

Discretionary Grant Programs Performance and Results

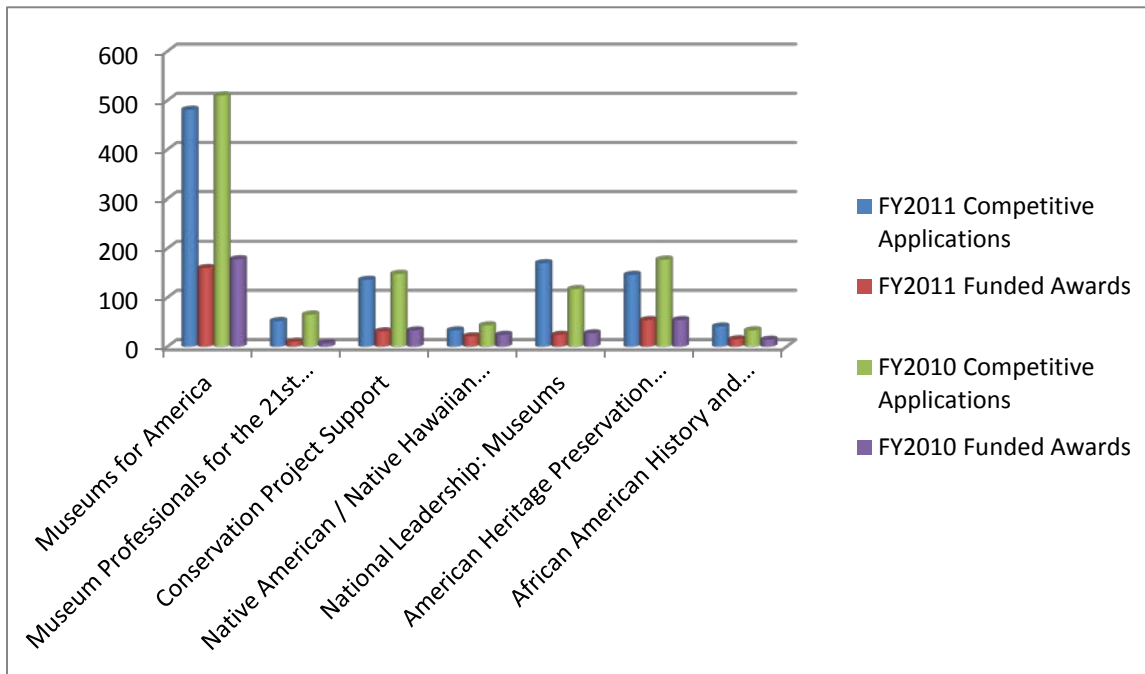
For discretionary grants, applicants submit proposals that are reviewed internally for eligibility. Expert peer-reviewers who are not Institute employees then assess the applications. IMLS's well-respected peer review process is central to its grant making function. The success of the grant programs is due largely to the contributions of the peer-reviewers. Library and museum professionals who know the needs of communities, can share promising practices, and are well versed in the current issues review all competitive proposals. Peer-reviewers ensure funded projects meet overall program and agency goals and that the amount of financial assistance provided is appropriate given applicant's capacity. Requirements for reviewers are published annually. Reviewers come from museums and libraries of all sizes, disciplines, and types, and represent a broad cross-section of the country.

The IMLS Director makes awards after reviewing recommendations. Successful applicants must comply with applicable federal laws, regulations, and circulars. IMLS informs each grant recipient of the award's terms and conditions. Each grant recipient files regular performance and financial reports. Grants management staff and program officers review and approve, with amendments if necessary, all reports to ensure compliance with terms and conditions. They also review performance reports to ensure the grant activities match the approved proposal.

Discretionary Library Grant Programs (applications vs. awards)



Discretionary Museum Grant Programs (applications vs. awards)



National Leadership Grants

The National Leadership Grant program (NLG) supports projects that advance the museum and library profession and “raise the bar” for museum and library practice. These projects are intended to generate nationwide impact and generally demonstrate

Number of Applications Received	Amount Requested	Number of Awards	Amount Awarded	Target 100% support Agency Performance Goals	Recipient Match	Target 100% awarded through competitive process
210	\$80,179,046	48	\$14,661,217	Meets	\$12,929,824	Meets

The Sparks! Ignition Grants

The Sparks! Ignition Grants were offered for the first time this year and are intended to expand and test the boundaries of library, museum, and archive services and practices. Sparks provides small, targeted investments in high-risk, innovative responses to the challenges and opportunities facing cultural heritage institutions in a rapidly changing information environment.

Number of Applications Received	Amount Requested	Number of Awards	Amount Awarded	Target 100% support Agency Performance Goals	Recipient Match	Target 100% awarded through competitive process
106	n/a	14	\$336,281	Meets	Not required	Meets

Laura Bush Librarians for the 21st Century

The multifaceted grant program supports tuition assistance, curriculum development, service expectations, job placement, recruitment of non-traditional library students, and support for doctoral candidates to teach library science and research.

Number of Applications Received	Amount Requested	Number of Awards	Amount Awarded	Target 100% support Agency Performance Goals	Recipient Match	Target 100% awarded through competitive process
119	\$55,826,525	24	\$11,227,761	Meets	\$25,398,658	Meets

Native American Library Services Basic Grants

The Native American Library Services Basic Grants are noncompetitive and funds are distributed equally among eligible applicants. The grant projects support existing library operations and maintain core library services.

Number of Applications Received	Amount Requested	Number of Awards	Amount Awarded	Target 100% support Agency Performance Goals
227	\$1,589,000	223	\$1,531,000	Meets

Native American Library Services Enhancement Grants

The Native American Library Services Enhancement Grants support innovative activities designed to advance library operations, including the expansion of services for learning and access to information, the development of improved digital services, and the targeting of library and information services to the underserved in rural and urban communities.

Number of Applications Received	Amount Requested	Number of Awards	Amount Awarded	Target 100% support Agency Performance Goals	Recipient Match	Target 100% awarded through competitive process
45	\$5,588,368	15	\$2,010,695	Meets	\$9,651,369	Meets

Native Hawaiian Library Services Grants

The Native Hawaiian Library Services Grants support projects that enhance existing library operations and implement new library services.

Number of Applications Received	Amount Requested	Number of Awards	Amount Awarded	Target 100% support Agency Performance Goals	Match	Target 100% awarded through competitive process
2	\$775,325	2	\$565,700	Meets	\$166,855	Meets

Museums for America

Museums for America is IMLS's largest grant program for museums, supporting projects and ongoing activities that build museums' capacity to serve their communities.

Number of Applications Received	Amount Requested	Number of Awards	Amount Awarded	Target: 100% support Agency Performance Goals	Recipient Match	Target: 100% awarded through competitive process
481	\$53,655,280	160	\$18,777,552	Meets	\$32,007,071	Meets

21st Century Museum Professionals

The 21st Century Museum Professionals program supports a range of activities, including professional training in all areas of museum operations and leadership development..

Number of Applications Received	Amount Requested	Number of Awards	Amount Awarded	Target: 100% support Agency Performance Goals	Recipient Match	Target: 100% awarded through competitive process
52	\$12,979,870	10	\$1,989,953	Meets	\$2,414,685	Meets

Native American/Native Hawaiian Museum Services

The Native American/Native Hawaiian Museum Services (NANH) program supports training, exhibits, public programming, and other activities to strengthen museum services and sustain heritage, culture, and knowledge for federally-recognized tribes and Native Hawaiians.

Number of Applications Received	Amount Requested	Number of Awards	Amount Awarded	Target 100% support Agency Performance Goals	Geographic Distribution	Target 100% awarded through competitive process
33	\$2,507,837	21	\$984,287	Meets	Tribes in 13 states	Meets

Conservation Project Support

Conservation Project Support (CPS) grants help museums identify conservation needs and support activities that ensure the safekeeping of their collections. The program assigns priority to the development and implementation of a logical, institution-wide approach to caring for living and material collections.

Number of Applications Received	Amount Requested	Number of Awards	Amount Awarded	Target 100% support Agency Performance Goals	Recipient Match	Target 100% awarded through competitive process
136	\$10,719,667	31	\$2,641,657	Meets	\$3,317,978	Meets

American Heritage Preservation Grants

The American Heritage Preservation Grants (AHPG) program was a three-year partnership with the Bank of America Foundation. Grants are used by small museums, libraries, and archives to help to preserve specific items, including works of art, artifacts and historical documents that are in need of conservation.

Number of Applications Received	Amount Requested	Number of Awards	Amount Awarded	Target 100% support Agency Performance Goals	Recipient Match	Target 100% awarded through competitive process
146	\$412,952	54	\$152,112	Meets	\$198,496	Meets

Connecting to Collections Statewide Implementation Grants

The Statewide Collaborative Planning and Implementation Grants are part of the agency's Connecting to Collections initiative.

Number of Applications Received	Amount Requested	Number of Awards	Amount Awarded	Target 100% support Agency Performance Goals	Match	Target 100% awarded through competitive process
n/a	n/a	6	\$1,402,322	Meets	\$92,270	Meets

Museum Grants for African American History and Culture

Museum Grants for African American History and Culture are intended to enhance institutional capacity and sustainability through professional training, technical assistance, internships, outside expertise, and other tools.

Number of Applications Received	Amount Requested	Number of Awards	Amount Awarded	Target 100% support Agency Performance Goals	Recipient Match	Target 100% awarded through competitive process
41	\$4,433,894	15	\$1,455,606	Meets	\$1,168,215	Meets

Program Evaluations

Museums for America

IMLS has formally completed work with an independent contractor for a comprehensive, mixed-method evaluation of the Museums for America Program. The analysis consisted of a statistical review of IMLS administrative data, surveys of over 400 applicants and over 700 grantees and in-depth profiles of 26 museum grantees. This evaluation also included video footage of six MFA cases, which represents a new foray into mixed media evaluations for IMLS. The final report from the evaluation along with the museum profiles and short videos are available at www.imls.gov/research/mfa_evaluation.aspx. The period of performance for this contract was September 2009 through September 2011.

Key Findings:

Organizational Capacity Effects

Among grantees reporting institutional capacity effects (n=464):

- 81% helped institution fulfill its mission
- 80% strengthened museum's public image
- 67% increased ability to attract outside funding
- 64% increased visibility of institution as a center of community learning
- 59% raised institution's prestige in the community
- 45% improved staff cohesion and commitment to mission

Audience Effects

93% of surveyed projects served public audiences. Of these (n=442):

- 73% reached new audiences
- 64% increased commitment by existing audiences
- 46% increased audience access

Laura Bush 21st Century Librarian Program

The Agency has modified the Laura Bush 21st Century Librarian Program evaluation contract to include a broader range of data collection as part of the LB21st Century Program Evaluation. Like the MFA evaluation the LB21 effort will be a mixed-method evaluation including content review of performance reports and interviews with grantees and program beneficiaries. Analysis of administrative data will begin in November 2011 with new data collection beginning in January 2012.

Grants to States Program Performance and Results

The IMLS Library Grants to States program awards population-based formula grants to each State Library Administrative Agency (SLAA) in the 50 states, the District of Columbia, Puerto Rico, the Virgin Islands, American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands. IMLS provides assistance to the SLAAs in a variety of ways to ensure excellence in program administration and accountability. IMLS staff work with the SLAA to identify and develop strategies that address the needs of each State; review the SLAA's required Five-Year State Plans, Five-Year Evaluations, and Annual Reports; host an annual training conference for SLAA grant administrators to increase their knowledge of program management and disseminate best practices; conduct site visits to the SLAAs to monitor program administration at the grantee and sub-grantee levels; and make accessible current program requirements and guidance materials via the Grants to States Extranet. In accordance with the Museum and Library Services Act, the Grants to States program also administers a competitive grant program for the Pacific Region territories and freely associated states. IMLS holds a workshop every other year for this group and also maintains program guidance on the Extranet.

Site Visits

In FY 2011 IMLS State Programs Staff completed 13 site visits to Arkansas, California, Connecticut, District of Columbia, Iowa, Illinois, Massachusetts, Minnesota, New Hampshire, Nevada, Pennsylvania, Puerto Rico, Utah, and Wyoming. 62 site visits were conducted from FY 2006 to FY 2011. The primary objective of the site visits is to review, and provide recommendations for, the administration of LSTA funds at the State Library Administrative Agencies. Program Staff also visit libraries that are recipients of sub-grants or beneficiaries of statewide LSTA projects.

In FY 2011, IMLS utilized a comprehensive checklist that outlines the major components of LSTA program administration. The checklist serves the SLAA as a guide to program administration and provides the State Programs Staff with a standardized monitoring tool. The primary elements include, but are not limited to: compliance with statutory authority; assurances and certifications; sub-grantee requirements; monitoring of the State's Five-Year-Plan; matching and maintenance of effort requirements; and allowable costs.

Grants to States Conference

The Grants to States Conference, an annual training workshop for the State Library Administrative Agencies (SLAAs), was held in March 2011, to address the upcoming statutory requirements for a comprehensive evaluation (due 3/30/12) and the next five year plan (due 6/30/12). The conference laid the groundwork for the Measuring Success initiative detailed elsewhere in this report.

Target: 50 state plans meet legislative requirements	Target: Annual reports received from 50 states	Target: 100% of federally supported state projects and activities align with state plans	Target: 13 oversight visits/year	Target: Technical Assistance Conference attended by representatives from every state
Meets	Meets	Meets	Meets	Meets

Grants to States Highlights

The Grants to States Program awarded \$214,432,000 in FY 2009. The SLAAs reported out on the use of these funds in late December, 2010. Under Goal 2, Enhancing Learning and Innovation, 3,318 projects were conducted.

Libraries for the Blind and Physically Handicapped

\$17 million in LSTA funds supported libraries for the blind and physically handicapped in 41 states. Sub-grants to individual libraries or library systems also funded the purchase of assistive technologies. The number of individuals served was 515 million.

Early Learning Programs

\$6 million in LSTA funds supported initiatives focused on learning for children ages 0 to 8 in 38 states. These programs also included training for parents and caregivers. The number of individuals served was 14.8 million.

Electronic Resources

\$99 million in LSTA funds supported public access to electronic databases in 46 states. These programs included digital literacy workshops and staff training on 21st century skills.

Open Source Technologies

4.9 million in LSTA funds from 2005-2009 supported the early development and implementation of Evergreen, an open-source software that helps libraries manage, catalog, and circulate their resources, in 11 states. Initially a LSTA funded project of the Georgia Public Library, this highly scalable software is now used by approximately 800 libraries and consortia across the US and Canada.

Performance Management for State Formula Grant

In FY 2011 IMLS has focused significant effort in planning a dramatically new reporting process for the Grants to States program, with a particular emphasis on performance reporting.

Throughout this process State Library Administrative Agencies have been consulted to assure that the performance metrics both align with the varying ways in which states have implemented the LSTA Grants to States program and to provide scalable and comparable measures that address the priorities in the legislation.

The planning process began with the states at the annual LSTA coordinators' conference shortly after the IMLS' reauthorization. In that meeting IMLS staff began working with representatives from each State Library Administrative Agency in the US to review the new LSTA priorities and to outline a process for improving performance reporting across the wide range of library programs and services that states implement locally with LSTA federal funds.

We identified six SLAA volunteer teams, comprised of an average of a dozen members each, representing some 48 states. These teams began to "reverse engineer" key library programs and services that could represent the legislated priorities nationally. Each team focused on one priority. The agency built wiki to support communication, particularly between state participants and used graphic applications to develop "logic maps" of library services that align with the LSTA priorities

The meetings with the state teams, which were all web and phone-based, were facilitated by IMLS staff; however the content was driven by State Library Administrative Agency team members. The process began by identifying key objectives of each priority and steps to achieve them, and then prioritizing the most important barriers and opportunities that should be addressed achieve the objective. The teams then mapped "results chains" ("logic maps") that connected actions for each key program or objective with short- and long-term results and identified points on each chain that would best serve evaluation, benchmarking, and reporting.

The smaller technical review advisory teams are now focused on helping IMLS develop practical metrics and/or qualitative methods to answer important questions for the points of the results chains identified by SLAA participants as most important for evaluation and reporting. As the groups continue this work into the first quarter of FY 2012, they will return to the initial steps of the process to ensure that what we are now calling a "framework" for evaluation and reporting adequately covers the highly diverse programs and services that SLAAs use Grants to State Program funds to address targeted legislated priorities.

This "results framework" will provide a more rigorous way to evaluate achievements through Grants to States at a national level while preserving the broad diversity of library service across States in addition to providing the States with clearer guidance as they revise their Five-Year Evaluation, which are due in June of 2013.

Research and Data Collection Performance and Results

In FY 2011 the agency has completed data collection for the FY 2010 State Library Agency Survey and the FY 2009 Public Library Survey. Annual reports for each survey will be completed in the first quarter of FY 2012. In the coming year the agency will be working closely with data providers to review and streamline the data collection process for both surveys to reduce reporting burden and to better align the collection with the dramatic changes that have taken place in library services in the age of the Internet.

IMLS has developed an institutional survey of museums that will collect data through an open-source, web-based platform. The collection is currently under OIRA review and IMLS is preparing for pilot testing. This fall, museums and museum professional associations will have access to the database to verify the list of museums and input additional institutional information. The collection is scheduled to begin in January.

Over FY 2011 IMLS has also developed an instrument for a national household survey gauging the public need for library and museum services. The collection will examine the demographic characteristics of museum and library users and non-users, examine the social correlates of museum and library use and gauge the public's perception of value of these services. OIRA review of the instrument will begin in November 2011.

IMLS released a new policy brief and several full length reports in FY 2011. This brief provides a demographic analysis of public access computer users and uses and demonstrates that public libraries are providing much more than basic technology access. The brief dispels some myths about the beneficiaries of public access computer services in U.S. public libraries. Public access computer users largely resemble the general public in terms of age, education, and even in the overall level of home computer and Internet access. The brief further highlights the fact that many different people report that they are able to fulfill a wide variety of information needs at different stages of the life course. Young people identify education activities as their main use, people between the ages of 25 and 54 identifying employment activities as their top use, and people 55 and older reporting health and wellness research as the main public access computer use. A link to the brief can be found at: www.ims.gov/assets/1/AssetManager/Brief2011_04.pdf

The FY 2008 Public Library Survey report was released in October 2011. This report includes a robust analysis of public library data as well as a new spatial analysis of library service locations based on a new process, developed with cartographic researchers at the US Census Bureau. The report is available on the IMLS Research Publications page at www.ims.gov/research/publications.aspx.

The IMLS research office was asked to submit a research brief posting to the Urban Institute's Metro Trends blog. This blog is the Urban Institute's report card and toolkit for researchers, students, journalists, elected officials, and the public on the state of metropolitan economies. Metro Trends features up-to-date charts and figures, expert commentaries and downloadable datasets. The IMLS entry to the research blog compares circulation of children's volumes per capita to changes in child poverty over 10 years. Further analysis was done by examining child service use in 2009 in the top 100 metropolitan markets in the United States. The Metro Trends blog post is the first collaborative research product to be produced and disseminated outside the

agency. It will be available both through the IMLS UpNext blog at <http://blog.imls.gov> and the Urban Institute’s Metro Trends blog at www.metrotrends.org.

Brief Analysis of Financial Statements

As discussed above, underlying the agency’s many programmatic achievements is its commitment to organizational excellence and sound financial management. IMLS has a fiduciary and stewardship responsibility to efficiently and effectively manage its federal funds, complying with federal guidance on financial management. As part of this responsibility, the Agency prepares annual financial statements in accordance with generally accepted accounting principles (GAAP). The principal financial statements have been prepared to report the financial position and results of operations for IMLS. The FY 2011 financial statements and accompanying notes are presented in accordance with OMB Circular A-136, *Financial Reporting Requirements*, and are shown in comparative formats.

To ensure the integrity and reliability of the annual financial statements, IMLS subjects them to an annual independent audit. For FY 2011, IMLS received a sixth consecutive unqualified audit opinion. The audit report contained no findings.

The figure below summarizes the IMLS financial position in FY 2011.

Net Financial Condition	FY 2011	FY 2010	Increase/(Decrease)	% Change
Assets	\$354.1M	\$390.3M	(\$36.2M)	(9.3%)
Liabilities	\$54.9M	\$54.3M	\$.6M	1.1%
Net Position	\$299.2M	\$335.9M	(\$36.7M)	(10.9%)
Net Cost	\$271.9M	\$260.2M	\$11.7M	4.5%

The significant changes in the Assets and Net Position totals of the Agency are attributed to the considerably reduced amount of federal dollars appropriated to IMLS in FY 2011 compared to FY 2010.



Management Assurances

Overall Internal Control

IMLS recognizes the importance of establishing and maintaining adequate controls over its programs and administrative functions. Management continues to evaluate and modify existing controls – and establish new ones as appropriate – to ensure accountability of federal funds and resources. IMLS also recognizes the importance of using technology to enhance effectiveness and efficiency, as well as to ensure an adequate degree of internal control and compliance with applicable laws and regulations. Consistent with operating procedures and pursuant to the Federal Managers' Financial Integrity Act of 1982 (FMFIA), the Chief Financial Officer requested each office head to conduct an internal review of their respective activities to identify possible deficiencies in management controls. Mindful of the Administration's continuing emphasis on management accountability for effective and efficient performance, IMLS senior executives were asked to exercise close scrutiny over all operations when conducting the reviews and to provide written statements of their findings. The results of IMLS's assessment are reported here, within the agency's FY 2011 Performance and Accountability Report, consistent with the provisions of the Reports Consolidation Act of 2000. Based on the review process described above, IMLS provides the following assurances:

IMLS management is responsible for establishing and maintaining effective internal control and financial management systems that meet the objectives of the Federal Managers' Financial Integrity Act (FMFIA). IMLS conducted its assessment of the effectiveness and efficiency of operations and its compliance with applicable laws and regulations in accordance with OMB Circular A-123, *Management's Responsibility for Internal Control*. Based on the results of this evaluation, IMLS can provide reasonable assurance that its internal control over the effectiveness and efficiency of operations and compliance with applicable laws and regulations as of September 30, 2011 was operating effectively and no material weaknesses were found in the design or operation of the internal controls.

Internal Control over Financial Reporting

IMLS conducted an assessment of the effectiveness of internal control over financial reporting, which includes safeguarding of assets and compliance with applicable laws and regulations, in accordance with OMB Circulars A-123, *Management's Responsibility for Internal Control*, and A-136, *Financial Reporting Requirements*. Based on the results of this evaluation and that of our independent auditors, IMLS can provide reasonable assurance that its internal control over financial reporting as of September 30, 2011 was operating effectively and that no additional material weaknesses were found in the design or operation of the internal control over financial reporting.

Susan H. Hildreth
Director

Limitations of Financial Statements

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

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

III. Measuring Performance: Key Results for 2011

Performance Goals, Objectives, and Results

In FY 2011, IMLS was guided by its FY 2007-2011 strategic plan. This plan established four long-term strategic outcome goals for the Agency's performance and activities: 1) Sustain Heritage, Culture, and Knowledge through Museums and Libraries, 2) Enhance Learning and Innovation in Museums and Libraries, 3) Build Professional Capacity in Museums and Libraries, and 4) Increase Administrative Capacity for Excellence.

Goal One: Sustaining Heritage, Culture, and Knowledge

The collections in libraries and museums connect people to the full spectrum of human experience: culture, science, history and art. IMLS helps libraries and museums to preserve and manage collections of artworks, books, and other cultural artifacts, animals, plant, and even born-digital information so that future generations will have a tangible link with knowledge.

With the digitization of collections, educational resources can be seamlessly shared worldwide. One vital way we provide leadership is by helping institutions identify the best ways to create and provide access to their digital resources.

Highlights

Connecting to Collections

Connecting to Collections is an IMLS initiative to aid libraries and museums in their efforts to provide the best possible care for the collections. The initiative was grounded in the results of *A Public Trust at Risk: The Heritage Health Index Report on the State of America's Collections*, an IMLS-funded study that for the first time documented and quantified the dire state of the collections museums and libraries hold in trust for the public. Connecting to Collections includes convening's in the U.S. and in Salzburg, Austria to explore collections-care issues; engagement of over 3,000 predominantly small museums that received the Connecting to Collections Bookshelf, a core set of books, DVDs, online resources, and an annotated bibliography; partnerships with the private sector to increase resources; and statewide planning activities in every state.

Digital Collections and Content


Working with the nation's top researchers and digital curators, the University of Illinois at Urbana-Champaign has developed a test bed and portal to collections that have been digitized with the support of IMLS. Examples of digitized collections include [original recordings](#) from the *Hoagy Carmichael Collection*, [Chinese calligraphy](#) from *Chinese Paintings*, [celebrations of Donkey Derby Days](#) from Collaborative Digitization Program's *Heritage Colorado*, and [Walt Whitman reading his own poetry](#) from the *Whitman Archive*. Project developers are creating innovative applications to increase use and ease of access of these collections.

Digging into Data

IMLS is partnering with seven national and international organizations as sponsors of the Digging into Data Challenge. As the world becomes increasingly digital, new techniques are needed to search, analyze, and understand these everyday materials. Digging into Data challenges the research community to help create the new research infrastructure for 21st century scholarship.

Project Profiles

Volunteer Voices: Tennessee's Rich History Is Collected Online

 A photograph of Jeanne Sugg, Tennessee State Librarian & Archivist, standing in front of a presentation screen. She is wearing a light-colored blazer and gesturing towards the screen. The screen displays a large portrait of a man and several smaller images.	<p>Recipient: University of Tennessee in Knoxville, TN</p> <p>Grant: 2005 National Leadership Grants / Building Digital Resources</p> <p>Pictured: Tennessee State Librarian & Archivist Jeanne Sugg at "Tennessee's Big Digital Debut," a reception that showcased Volunteer Voices. Photograph by James Staub.</p>	<p>Contacts: Tiffani Conner Tiffani.Conner@lmunet.edu</p> <p>Ken Middleton kmiddlet@mtsu.edu</p> <p>Web Site: http://volunteervoices.org</p>
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For decades, sources of Tennessee's rich history have been scattered across the 440-mile width of the state, on the shelves of small-town libraries, in the archives of universities, and in the back rooms of local historical and genealogical societies.

Among the resources were pictures of schoolchildren from the Depression, police notes on the 1968 assassination of the Rev. Martin Luther King Jr., sheet music poking fun at the teaching of evolution from the time of the 1925 Scopes monkey trial, and documents from Civil War battles.

But nowhere were the documents collected in one place, where users ranging from public school teachers and students to advanced scholars and researchers could pore over them for the nuances of history.

Now that has changed, as librarians have used a three-year, \$928,000 grant from IMLS of Museum and Library Services (IMLS) and a similar amount from 10 partner libraries, historical societies, and museums in the state to create Volunteer Voices (www.volunteervoices.org) a digital museum of nearly 11,000 documents and images. The Web site is now used in classrooms throughout the state.

"There is a recognition in schools today that in order for students to learn history, rather than just having some historian tell them what happened, kids need to see original documents and learn to make their own analysis," said Ken Middleton, a user services librarian at Middle Tennessee State University in Murfreesboro and one of the co-principal investigators leading the project. Middleton was also a founding member of the Digistates Discussion Group, an online discussion list focused on collaborative digitization efforts of cultural heritage resources at the state, regional, and local levels. More than 40 states now have statewide digital consortia, and many of these have received IMLS funding through either the Grants to States program or National Leadership Grants.

Eyewitnesses to History

"A key goal was to create a central Internet site where teachers and students could explore the primary sources that bring Tennessee's history to life," he said. In all, 95 institutions, from the sprawling University of Tennessee in

Knoxville and the Tennessee State Library and Archives in Nashville to small libraries in rural parts of the state, contributed collections of documents, photos, letters, musical scores, and other items. Often, various documents related to the same event were held at different libraries. The sheet music related to the Scopes trial, for example, was stored at the Center for Popular Music at Middle Tennessee, while other documents and photos from the trial were in the Bryan College library in Dayton, where the celebrated trial was held.

In this visual age, photographs in the collection help students identify with people from another era. "When kids in grade school have an assignment on the Depression," Middleton said, "they need to see what kids from the thirties looked like." The small Stewart County library contributed informal photos of children taken in the 1930s and 1940s to the Volunteer Voices effort.

Significant Events Mark Tennessee Life through the Years

Middleton said he considers the Civil Rights era (including King's assassination), the Scopes trial, and Civil War battles in the state as the three most significant events in Tennessee history. But the state also sent three native sons—Andrew Jackson, James K. Polk, and Andrew Johnson—to the White House in the nineteenth century. Volunteer Voices has thousands of items documenting all these events and other subjects, with links to events outside the state as well.

Browse a bit on the section of the site related to African Americans and you will find an 1836 bill of sale for slaves sold to Britton Duke, a police note on the trajectory of the bullet that killed King, a 1956 letter to the Memphis mayor protesting the appointment of a "negro" to the board of a local hospital, and a photo of Alfred Jackson, a former slave owned by President Andrew Jackson.

The Scopes trial link includes a photo of famed lawyer Clarence Darrow arriving in Dayton as he is greeted by his client, John T. Scopes, and a picture of the courtroom during the trial. Probe further and find a photo of the jury that convicted Scopes, as well as a photo of the crowd that gathered outside the courthouse, with a sign admonishing "Read Your Bible."

Check the references for moonshine, and Volunteer Voices has pictures of mountain men and their secret distillery operations and folk art of a moonshine operation with the inscription, "What was going on down in the 'Bug Hole' during prohibition."

Volunteer Voices in the Classroom

Nancy Kemp, a former high school American history teacher who now teaches English, was the education coordinator for Volunteer Voices and helped teach 135 K-12 instructors how to use the Web site in their classrooms.

She said that the use of primary sources is important in instructing students about the history of their state. "If you don't," she said, "you lose the opportunity to make all that history come to life. We teach the students how to analyze these sources rather than just having them reading textbooks. The kids become engaged with their learning."

"There's fabulous material in Volunteer Voices," she said. "In one case we were able to show students how downtown Knoxville has changed. We saw the old pictures and then the newer ones. And the kids recognized the streets and saw how the community has changed."

Beth Deere, a middle school teacher in Lexington, Tenn., described Volunteer Voices as "absolutely one of the best sources I've ever used." As both an American history and English teacher, she said she has shown, among other images, large photos of immigrants arriving at Ellis Island in New York, letters and diaries of slaves in Tennessee, and pre-Depression-era photos of families living in the Smoky Mountains not far from Lexington.

"I showed a wanted poster for a runaway slave," she said, "and the kids were just amazed that was accepted in those days-- that people could be treated that way."

"In my English class, after fall break, because a lot of them visit the Smoky Mountains then, I showed them a photo of an Appalachian family and used it as a springboard to writing a story about it. It inspired so much creativity in the kids."

3-D Imaging Technology Preserves Audio Collections



Recipient: University of California, Lawrence Berkeley National Laboratory

Grant: National Leadership Grants for Libraries - Advancing Digital Resources

Pictured: Maryrose Barrios, Berkeley undergraduate physics student.

[View more photos](#)

Contact: Dr. Carl Haber
Lawrence Berkeley National Lab
1 Cyclotron Road
MS 50B-5239
Berkeley, CA 94720
[E-mail](#)

Project Resources:
[Project Information](#)
[Web Site](#)
[Video](#)

"I think it's good for people to understand on the grassroots level that there's this research that's going on, that it's publically supported, and that it can benefit a whole range of stakeholders."

- Dr. Carl Haber, Physicist, Lawrence Berkeley National Laboratory

A Solution for Large Scale Digitization of Special Audio Collections

Libraries, archives and museums across the country face a similar crisis. Many of the audio recordings contained on antique grooved media are broken, too fragile or too degraded to play back on traditional systems. Several years ago, Carl Haber, a physicist at the Lawrence Berkeley National Laboratory, and his partners created an elegant solution to this problem. They developed IRENE (Image, Reconstruct, Erase Noise, Etc.) a machine which takes high-resolution photographs of the grooves on old disc records and digitally reads the images to reproduce the sound they contain.

Process Improvements for Increased Accessibility by Archive Professionals

In its first iteration, IRENE, which used two dimensional (2D) digital microphotography could only read media with left-to-right grooves, typical of shellac or lacquer records. With funding from IMLS of Museum and Library Services, however, Haber and his colleagues were able to expand the technology to include three dimensional (3D) imaging to read those media with data in the vertical element of the groove, such as wax cylinders. Now, with funding from a 2009 IMLS National Leadership Grant for Libraries, Haber and his partners are working to broaden the impacts of the IRENE/3D project and its potential uses. Research funded by the most recent IMLS grant is concentrated on making IRENE/3D more accessible.

A large part of the recent efforts has been in simplifying workflow so that archive and museum professionals can use IRENE without the assistance of a specialized scientist. Haber and his team have also created a transportable IRENE unit for the University of Chicago which it plans to use in archival collections in remote locations such as Madras, India. Other areas of focus include utilizing IRENE to read collections with great historical value such as experimental sound recordings created by Alexander Graham Bell and his partners, currently at the Smithsonian National Museum of American History.

Preservation Has a Positive Impact on Student's and Higher Learning

The IRENE/3D project has done more than breathe life into old recordings, however, it has also helped broaden the horizons of nearly two dozen physics and engineering students. Research interns from both the University of California-Berkeley and the University of Applied Sciences in Fribourg, Switzerland, have worked with Haber over the course of the project. Haber explains that the IRENE/3D project provides some of the world's brightest students with insight into the broader applications of their learning, "They're going to have learned something about how science and technology can benefit other fields outside of cell phones and pocket entertainment. There's this whole other dimension—preservation science—and I don't think they ever would have known anything about that or ever learned about that."

Sharing the Technology with Diverse Audiences and Stakeholders

Not surprising, students aren't the only ones interested in the project. Thanks to exposure in the media and efforts to share his research at conferences and in journals, Haber has had no shortage of attention from archives, museums and members of the public. "We're almost continuously hearing from potential new partners. People come along all the time with a new artifact or collection that they want to restore and they think that it won't be possible with normal methods," he says.

Haber is open to these inquiries, as they provide the chance to test the limits of the technology while letting silent recordings speak again. Among the most memorable requests were those of a record producer with a recorded message from a young Janis Joplin to her family and the Montana State Historical Society's request to restore the voice of a rare gypsy fortune teller penny arcade machine from the early 20th century. Haber feels it's important to make the technology available to anyone with interest. "Typically if a person contacts us and it's going to be something small we will often try to do it...I think it's good for people to understand on the grassroots level that there's this research that's going on, that it's publically supported, and that it can benefit a whole range of stakeholders."

Looking Forward with IRENE/3D

Haber anticipates that work on the IRENE project will continue beyond the end of the current grant. Going forward, Haber envisions a number of new directions for the technology. He is interested in creating a machine that would combine the 2D scanning and 3D scanning capabilities into a single unit and refining IRENE/3D to be faster and able to scan more kinds of media. Some older recordings such as those with cracking lacquer or those made from metal, still provide a challenge for IRENE due to their uneven or reflective surfaces. Haber also sees finding new institutions to partner with as a "natural next step".

Currently, there are only three locations – Lawrence Berkeley National Laboratory, the Library of Congress and the University of Chicago—which have an IRENE unit. Pending the receipt of future funding, Haber would be interested in creating new machines for museums or archives with large, important collections, citing the importance of collaboration in expanding access to the IRENE technology, "Our general approach is to try to be open and inclusive."

Goal Two: Enhancing Learning and Innovation

Success in today's society requires information literacy, self-reliance, and a strong ability to collaborate, communicate effectively, and solve problems. Combining strengths in traditional learning with robust investment in modern communication infrastructures, libraries and museums are well equipped to build these 21st century skills. Libraries and museums bring tremendous assets to communities engaged in a wide range of concerns, from workforce issues and parenting concerns to cross-cultural understanding and student achievement. As partners in the exercise of civic responsibility, libraries and museums are part of larger efforts to weave a stronger community fabric

Highlights

Learning Labs in Libraries and Museums

IMLS and the MacArthur Foundation have joined together respond to the Presidents call to “Educate to Innovate” and improve outcomes in STEM learning in the U.S. Together we will support the planning and design of up to 30 learning labs in libraries and museums throughout the country. The labs are intended to engage middle- and high-school youth in mentor-led, interest-based, youth-centered, collaborative learning using digital and traditional media.

Let's Move! Museums & Gardens

Developed in coordination with national museum and garden leaders and in conjunction with First Lady Michelle Obama's fight against childhood obesity, *Let's Move! Museums & Gardens* is a coalition of museums and gardens seeking to teach young people to make healthy food choices and be physically active. Over 450 museums and gardens signed on in first two months of the program.

Building Digitally Inclusive Communities

Libraries, businesses, hospitals, schools, museums, community technology centers, and local governments face difficult decisions about how to create and sustain access to broadband technologies to meet national priorities and create opportunity for difficult-to-reach populations. To help community leaders make strategic decisions about technology investments and in response to the National Broadband Plan, IMLS is working with the University of Washington Information School, the International City and County Management Association and hundreds of organizations and individuals to create a Framework for Digitally Inclusive Communities.

Project Profiles

State Talking Book Libraries: Programs for People with Visual or Physical Disabilities

 <p>Pictured: "Good Book, Good Friends." (Photo provided by Library of Congress)</p>	<p>Recipient: Kentucky Talking Book Library</p> <p>Grant: Grants to State Library Administrative Agencies</p> <p>Contact: Barbara Penegor Branch Manager P.O. Box 537 Frankfort, KY 40602 (502) 564-8300 E-mail address</p> <p>Project Resources: Web site Facebook View more photos</p>	<p>Recipient: Washington Talking Book & Braille Library</p> <p>Grant: Grants to State Library Administrative Agencies</p> <p>Contact: Danielle Miller Program Manager 2021 9th Avenue Seattle, WA 98121 (206) 615-0400 E-mail address</p> <p>Project Resources: Web site Facebook View more photos</p>
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Talking books are wonderful and make my life so much better.
--Patron, Spokane Valley, Washington Talking Book and Braille Library (WTBBL)

It is such a blessing to have talking books. Multiple sclerosis has taken a great deal of my vision.
--Patron, Kentucky Talking Book Library (KTBL)

IMLS provides funding to state libraries through its [Grants to State Library Administrative Agencies](#), the largest of all of its grant programs. In 2009, 10% of this funding directly supported libraries for the blind and physically disabled. State libraries around the country provide critical services to visually and physically impaired Americans including braille materials and specially recorded audiobooks also known as "talking books". Materials are mailed to patrons at no cost and provide an important lifeline to the world for many housebound or elderly patrons.

For two of these libraries—the Kentucky Talking Book Library (KTBL) and the Washington Talking Book & Braille Library (WTBBL)—success has continued, despite recent budget cutbacks, thanks to dedication from volunteers, strong connections with community groups and patrons, and the enthusiastic adoption of new technology.

"I think a lot of people believe, 'There are lots of audiobooks and eBooks out there, [those who are visually and physically impaired] don't need anything special.' But I don't think people realize the very small percentage of materials that are available in alternate formats," said Barbara Penegor, Kentucky Talking Book Library Branch Manager. "If you go into your local public library, sure they have audiobooks on CD ... but they don't have the number of books available through our service, or they don't have the breadth of service. Most of them will have the bestsellers or popular things, but we're able to provide them with stuff like cookbooks and books on disability and biographies of lesser-known historical figures."

New Technology Increases Access and Enhances User Experiences

The integration of new technology has revolutionized how talking book libraries function. Since the 1970's, talking book libraries had relied on analog cassette players to play recorded books. Recently, however, the libraries have begun transitioning to new digital players—a move that has been met with great enthusiasm from patrons. With an entire book on a single digital cartridge, digital players eliminate the frustration of changing and flipping tapes, a major improvement for patrons with physical disabilities or lack of strength. "If you have limited dexterity, the

cassette buttons took a bit of pressure to push, whereas the digital machine buttons are soft touch, so it doesn't take any strength at all to push them," explains Penegor.

In Washington, word of mouth about the new technology helped spur renewed interest in the library says Danielle Miller, Program Manager for WTBBL. "People were getting [digital players] who hadn't used the library in forever. People were signing up who had never used the library. Books were going out pretty much as soon as they came in the door and people were willing to read things that they never would have read before because they wanted to use the digital player."

Volunteer Support Ensures Program Success

Although both libraries have a talented and devoted staff, they credit much of their success to the ongoing commitment of their volunteers. "It's really the volunteers that make everything we do possible," explains Miller. At the WTBBL, volunteers contribute more than 32,000 hours of their time every year—the equivalent of 16 full time employees. They are the driving force behind the WTBBL's Evergreen Radio Station, a special service of the library that provides 24 hour programming for patrons.

Volunteers read local and national newspaper articles, host talk shows about local events, and conduct interviews with popular authors. The programming is more than just entertainment, however. It also provides practical information that would otherwise be difficult for the visually impaired to access. "One of our most popular programs is called "Grocery Cart", explains Miller. "All the supermarket circulars come out on Tuesdays and the volunteer narrators go through and read what's for sale and where it's for sale. It's a nice way for a lot of our people who maybe get out only once a week or are on a fixed income. They can see, 'Oh cantaloupe is on sale at Safeway. Let's go there.'"

KTBL relies heavily on volunteer support as well, particularly for the narration and recording of their special collection of books about Kentucky or by Kentucky authors. KTBL has had a wonderful record of volunteer loyalty—many of their volunteers have been with the library for 20 years or more. Penegor works hard to give back to the volunteers, arranging trips to see how braille books are printed and inviting special speakers to the yearly volunteer appreciation dinner. "This year we're hoping to have some professional narrators—people who are paid to record the talking books from the Library of Congress—come in and talk to them so they can meet a superstar!"

Using Communications, Outreach, and Partners to Respond to Fiscal Challenges

Both libraries work hard to get the word out about the services they offer. Penegor hosts in training sessions for new Kentucky public library directors to make sure they're aware of KTBL's services. Recently, she enlisted the help of two of her patrons—an 88 year old woman who uses talking books and a young reader of braille—to star in an introductory YouTube video for new patrons. WTBBL works closely with care facilities, retirement centers and the blinded veteran's center, connecting with activity directors and giving presentations about the library. Close relationships with patrons, other local libraries, and institutions for the visually and physically impaired have helped KTBL and WTBBL deal with ongoing budget cuts.

In the past few years, KTBL has taken over library services for regional talking book libraries which were forced to close their doors. Good communication between the branches allowed for a smooth transition and minimal disruption to patrons. "Even though the Louisville library closed three years ago I'm still in occasional contact with the former librarian," says Penegor. In Washington, other public libraries and patrons have stepped in to help replace services the WTBBL can no longer afford. "Some of our large print readers know that we can't afford to buy these books any more so they often donate books that they have read or money specifically for that purchase," says Miller. "We've been working with public libraries in the area and getting donations. Recently, a public library system donated 14 boxes of large print books in great condition."

Improving Quality of Life for Patrons

Talking book libraries have loyal patrons and that should come as no surprise. Much of the patron base is elderly or retired—the average patron at KTBL is a widowed woman in her eighties. As Penegor explains, "Listening to a talking book is like staying in touch with the world—not only learning things—but it's another human voice in an empty house." "At the state library we provide a lot of great services," adds Kentucky State Librarian Wayne Onkst, "but I can't imagine one that has more impact than this one."

Museum Artifacts Enhance Teaching about Bias and Tolerance



Recipient
Missouri Historical Society

Grant
2004 National Leadership Grant
for Museums

Pictured
Last Sale of Slaves 1860, 1870
Oil on canvas by Thomas S.
Noble. Gift of the children of
Thomas S. Noble.

Contact
Melanie Adams
Managing Director,
Community Education and
Events
Missouri Historical Society
314-454-3120
[E-mail address](#)

Web site
[Visit the project Web site](#)

"There has always been and always will be prejudice in this world ... but if I stand up for what I believe in and fight against prejudices, I might just change a few lives. I'm going to be an ally."
Student Journal Entry

One of the most popular audio tours offered by the Missouri History Museum is "St. Louis in Black and White," which examines the racial history of the region, including the abolitionist and civil rights movements, and urban expansion. To capitalize on the tour's popularity and use museum artifacts in a unique way, museum officials teamed up with the Anti-Defamation League (ADL) to plan the "Reading Bias/Writing Tolerance: Using History's Powerful Stories" program for middle school and high school students.

In 2004, the Missouri Historical Society received a three-year, \$247,280 [National Leadership Grant for Museums](#) to fund Reading Bias/Writing Tolerance. The project also received funding from the Dana Brown Charitable Trust.

"It really allowed us to dive deeper into a topic that was already of interest to the community," said Melanie Adams, the museum's director of community education and events.

A Program for Middle School and High School Students

The project's purpose was to use museum artifacts and the curriculum from ADL's A World of Difference Institute, a provider of anti-bias education and diversity training programs and resources, to help students understand bias and discrimination. The Historical Society also sought to teach students how to interpret stereotyping, deepen their awareness of history's role in understanding the present, and increase their literacy skills.

The partners began by assembling a team of people from both the Missouri Historical Society and the St. Louis Office of the ADL, as well as a literacy consultant, five teacher consultants, and one part-time administrative assistant.

The team created the project's curriculum by linking museum artifacts and exhibition items to the ADL "A World of Difference" modules. Teacher consultants selected the artifacts and developed the lessons, which looked at historic examples of bias and discrimination involving race, gender, and class. Initially, the curriculum consisted of six classroom segments and a visit to the museum. Each segment and museum visit contained one lesson focused on a museum artifact; the entire curriculum was designed to take five to seven weeks. Artifacts included items such as iron shackles and slave bills of sale, as well as pictures of slaves, American Indians, suffragettes, Jewish families, and civil rights protesters.

The project team created a web site, www.biasandtolerance.org, designed to introduce Reading Bias/Writing Tolerance to local school administrators, teachers, and potential funders as well as to museums and ADL chapters across the nation. In October 2007, the team completed a replication guide, which was designed as a template for

reproducing the content of the program. The guide is available on the web site; it spells out the timeline, processes, and procedures necessary to implement Reading Bias/Writing Tolerance.

The museum hosted a community event and reception in December 2007 to showcase the project. Students, educators, and community leaders attended the celebration, which featured students reading from the poems they had written during the project. The audience was full of praise for the students and the understanding shown in their work.

Building a Culture of Tolerance

In response to the lessons, students wrote poetry, dialogue, or journal entries to express what they had learned. These writings showed the depth of students' new understanding. One student journal entry read, "There has always been and always will be prejudice in this world ... but if I stand up for what I believe in and fight against prejudices, I might just change a few lives. I'm going to be an ally."

The project also gave students the tools and language to confront peers who are discriminating or bullying others because of differences. Students wrote in the surveys that they had learned how to serve as allies to friends and peers who were being picked on.

An evaluation of the first two pilots by Philliber Research Associates found significant positive outcomes among students and teachers. The 174 students who completed surveys demonstrated more self-awareness and gained important knowledge.

They showed statistically significant increases in the extent to which they agreed that

- They were aware of stereotyping other groups of people and
- They knew something about the history of discrimination and prejudice against different racial and ethnic groups in the United States.

In addition:

- Eighty-five percent of the students said they learned something about bias and discrimination, and
- 80 percent said they learned that historical objects are important to understanding their lives today.

"We're building a culture of tolerance and acceptance versus one where kids are teased for being of a certain race, religion, or sexual orientation—but really seeing that as everyone's difference makes them richer, and how does that richness then affect the whole community," explained Adams.

Reading Bias/Writing Tolerance showed how incorporating artifacts into anti-bias and anti-discrimination lessons resonates with middle and high school students. The model worked, and the example of its success may lead other museums to try something similar. The museum is happy to share what it can with other institutions.

Attracting a Vietnamese Audience

**Recipient**

Children's Discovery Museum of San Jose

Grant

2005 Museums for America

Pictured

Two girls play and learn in the Vietnamese Round Boat at Children's Discovery Museum of San Jose.

Contact

Jenni Martin
Director of Education and Programs
Children's Discovery Museum of San Jose
408-298-5437, ext. 280
jmartin@cdm.org

Website

www.cdm.org

What city is home to more people of Vietnamese origin than any city outside Vietnam? It's San Jose, California, where the Vietnamese community is the city's fastest growing population — now comprising 11 percent of San Jose's one million people.

Because of this fact, the Children's Discovery Museum of San Jose knew that in order to meet its long-range goal of increasing overall attendance by 15 percent — in a way reflective of local demographics — it would have to attract more visitors of Vietnamese descent.

The museum had a model to copy, because in the early 2000s it completed a successful program to boost its number of Latino visitors by 20 percent.

"We had a growing awareness of the increasing Vietnamese population and the fact that our museum visitorship demographics were not matching the city's demographics. And we wanted to try to change that," said Jenni Martin, Director of Education and Programs at the museum.

Martin and her colleagues developed the Vietnamese Audience Development Initiative (VADI) to increase Vietnamese visitorship by 20 percent over a five-year period, using strategies and lessons learned from the Latino initiative.

In 2005, the museum received a three-year, \$150,000 Museums for America grant from IMLS for the project.

Getting to Know the Community

VADI's purpose was to establish research from which to validate strategies and measure the museum's success in increasing annual attendance with visitors from the local Vietnamese population. The museum approached the project in three phases: Community assessment and relationship building; development of exhibit, program, event, marketing, and governance strategies; and full-scale implementation of these strategies.

In the first phase, the museum took a multi-pronged approach to getting to know the community and its needs. Museum staff recruited a Vietnamese Advisory Committee, hired a Vietnamese communications consultant, hosted focus groups, and developed a museum survey printed in both English and Vietnamese.

The consultant provided entrée to local Vietnamese community leaders, who in turn facilitated other introductions. To encourage families to complete the written survey, the museum offered a VIP program: Very Important People for our Vietnamese Initiative Project. Participating families received free admission to the museum. When they returned the completed survey, they received a Family Fun Pass, which provided privileges such as two free family visits and coupons for free parking.

During the second phase of the project, the museum displayed three exhibits relevant to Vietnamese culture, including "Dragons & Fairies: Folktales from Vietnam" from the Houston Children's Museum. The museum also designed trilingual signage in English, Spanish, and Vietnamese for the permanent "Secrets of Circles" exhibit.

The VADI project also featured educational programs, "Family Circle Nights" at schools, and parent/child workshops; Vietnamese performers at the summer music festival; and visual arts activities for children ages 4 and above, incorporating Vietnamese culture, such as lantern making and scroll printing.

The museum created one big annual event, "Children of the Dragon," a weekend festival in April to share Vietnamese culture with the community. The festival included a Vietnamese marketplace, where visitors could sample Vietnamese jackfruit and learn how to fold traditional rice cakes, and an arts and crafts area, where visitors could decorate a scroll and make block prints.

To publicize the VADI activities, the museum enlisted support from Vietnamese radio and print media. The museum also translated its literature and marketing materials into Vietnamese. VADI also received a \$25,000 sponsorship from Target Stores, which enabled the printing of 10,000 bilingual fliers promoting "Children of the Dragon."

Drawing More Vietnamese Visitors

The VADI strategies resulted in higher participation in the museum by Vietnamese-descent families, particularly among second-generation families.

Some 255,000 total visitors (of all backgrounds) benefited from the grant project; 113,740 people attended the "Dragons & Fairies" exhibit; 2,750 children and adults participated in the workshops, "Family Circle Nights," and arts programs; and 113 families signed up for the VIP program.

The "Children of the Dragon" weekend festival was very successful, with attendance rising 32 percent during its second year, from 2,847 visitors in 2007 to 3,757 in 2008. Attendance jumped even higher in 2009, even though the museum charged admission for the first time.

Response to the festival shows how the project has achieved its goal of serving as a bridge between the two worlds of Vietnam and Vietnamese-American communities.

"We had these Girl Scout troop leaders who came in their traditional ao dai, which is this beautiful Vietnamese dress — pants, actually — and they came in and they saw the market and they were so excited they were just walking around, all getting their photos taken in all these places within the market. And it was wonderful," said Martin. "And then bringing their children over and pointing out, because we had different fruits and vegetables — plastic ones — but also the tasting of a particular fruit called the jackfruit."

One of the project's most significant results was the knowledge museum staff gained over the three years.

"The institutional process of self-reflection and learning, where we were able to identify and try out these strategies and learn along the way about what was effective and what wasn't and about some of nuances of the Vietnamese community," was very valuable, said Martin.

Students Know Best When It Comes to Online Homework Help



Recipient: The New York Public Library, Astor, Lenox & Tilden Foundations

Grant: 2007 and 2008 National Leadership Grants for Libraries – planning and project grants

Pictured: Students use the Internet to connect with friends and do homework.

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In 2005, New York City's public libraries received acclaim and awards for HomeworkNYC.org, a Web site that provided homework help for teenage students.

The folks it didn't win over, however, were the students. Traffic failed to meet expectations and 'tweens' and teens were having difficulty navigating the site and finding homework answers, according to usability tests conducted in summer 2006.

"Relatively speaking, it didn't perform the way we'd hoped, and the numbers were declining over time," said Josh Greenberg, the former director of digital strategy and scholarship at the New York Public Library (NYPL). "We had to put a lot of effort into teaching people that it was there, which is kind of an indicator that it wasn't quite hitting the mark of really being useful to kids intrinsically."

So, the project partners went back to the drawing board, applying for a collaborative planning grant under the IMLS National Leadership Grant program to determine how best to support the online homework needs of New York City students aged 10 and older. NYPL, the lead partner, received the \$30,000 grant in 2007 for the Online Homework Help project. Other partners were the Brooklyn Public Library and Queens Library. NYPL includes libraries in Manhattan, the Bronx, and Staten Island, so the project was citywide.

Learning How Students Use the Internet

The partners applied for the planning grant, initially envisioning a traditional planning process of hiring education experts to advise them and conducting research with the help of focus groups of students, parents, and teachers.

"This wasn't just a matter of building a site for teens or other kids and hoping that they'd come, but also kind of realizing that there are really three stakeholders in homework: There's the kids themselves, their parents, and their teachers. And we needed to understand all three and their perspectives about the Internet to build the best service possible," said Greenberg, who recently left the New York Public Library for a job at the Alfred P. Sloan Foundation. The project's new director is Lynda Kennedy, NYPL's director of teaching & learning, literacy, and outreach.

In fall 2007, the partners conducted five focus groups: three with a total of more than 90 students across all five boroughs; one with teachers; and another with parents.

The student focus groups were asked how they use the Web for homework and research. Students said they use tools such as Google and Wikipedia; most were not familiar with HomeworkNYC.org. The students also noted that they spend much of their time online on social networking sites such as Facebook and MySpace.

Teachers were asked how they use the Web to support their teaching and student learning. The teachers said they were unable to keep up with technology and the ways students use the Web. They did not use HomeworkNYC.org and did not realize it would be useful in their teaching.

The focus group results surprised the team, because they had mistakenly assumed that the planning grant would indicate the need to improve the existing Web site. "The lesson from talking with the kids was that they don't want another Web site to go to," said Greenberg.

Because the students frequent social networking sites, the partners decided that if they built a homework widget that kids could incorporate into their Facebook or MySpace pages, the students would be more likely to use the resource.

"We needed to literally bring them [the services] where they live. Kind of 'take it to the people,'" he said.

In 2008, the team held a second set of three focus groups with a total of 31 teens. The students were asked to investigate widgets — a portable chunk of code that a student can install on a Web page — and to brainstorm types of widgets they thought would be useful. Their suggestions included a cross-searching widget that would conduct searches of the library catalog, Google, and Wikipedia; and a resource list widget that would allow them to save links they found while doing research online. One teen suggested a science project widget.

Creating a Prototype Widget

With the data from the two sets of focus groups in hand, the partners decided to create a test widget to present to students in order to get direct feedback. The team hired BookLetters to develop a prototype "bookshelf widget," which allowed students to display customized bookshelves of materials they had read or selected on their social networking sites. The widget allowed sharing of student bookshelves and communication with groups created by the students.

Forty-two students tested the prototype. They commented on its appearance and made recommendations for customization elements and size. Several teens said they constantly changed the look and content of their MySpace pages, and their use of a library widget would depend on how they were setting up their page on any given day.

All teens agreed that the widget should feature the following abilities:

- Write and read reviews;
- Rate materials found on friends' lists;
- Make suggestions to friends about titles to add to their lists; and,
- Share the widget with friends.

One teen from Brooklyn said, "It has to be social or it won't be used."

Fine Arts Museum Brings Together Community Resources to Provide Art and Science Fusion Education



Recipient: San Angelo
Museum of Fine Arts

Grant: 2010 National
Leadership Grant

Pictured: Lamar Elementary
students pose with Assistant
Museum Educator Megan
DiRienzo at the end of their Art
Science Fusion program.

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[Blog](#)

"What we'd like to see 20 years down the road are students who are better informed about art and science but also students who are engaged--students who want to be part of the community, make active contributions to their community, and want to share knowledge."

—Lillian Lewis, Curator of Education San Angelo Museum of Fine Arts

The San Angelo Museum of Fine Arts (SAMFA) in San Angelo, Texas is driven by the philosophy that, "we're not just about art on the walls, but art in lives, and community is the greatest work of art," explains SAMFA Director Howard Taylor. By partnering with the local Upper Colorado River Authority (UCRA) and the San Angelo Independent School District (SAISD) on a 2010 Institute of Museum and Library Services National Leadership Demonstration Grant, the museum is creating a national model for museums working to bring together community resources to provide art and science fusion education.

A Collaborative Approach to Interdisciplinary Curriculum Design and Project-based Learning

The project began with a 2008 IMLS National Leadership Planning Grant, which allowed SAMFA and its partners to consult with focus groups of local students, parents and educators. The community voiced a need for interdisciplinary, project-based learning that would help engage students in solving community issues.

"Environmental issues have been primary, particularly in this water challenged environment of western Texas," says SAMFA Director Howard Taylor. With these concerns in mind, SAMFA and its partners developed the Center for Creative Energy which combines focused curriculum about water resource issues with real-world problem-solving efforts through three separate programs: Aqua Squad Student Docent Program working with a selected group of middle school students to create an exhibit and presentation on possible solutions to area water issues; a multiple-visit Art-Science Fusion program focused on the nearby Concho River for area 2nd graders; and Camp Odyssey, a one-week intensive program for students in grades 4 thru 8 to build upon project-based skills emphasized in SAISD's Texas Research Institute for Young Scholars Program.

Although still in the early stages of the grant, the project partners have already gained valuable insight about the role flexibility plays in a multi-partner collaborative project. "You have to keep in mind that there are outside factors that affect these partner organizations," explains SAMFA Curator of Education, Lillian Lewis. "We are constantly keeping abreast of what is happening to education at a state level in Texas, how that affects our individual school districts, and being sensitive to the districts' changing needs." Early on, individual principals expressed concerns that the multiple-visit programming would cut into review time for 3rd grade standardized tests.

As a solution, the museum and UCRA suggested that the audience be changed from 3rd to 2nd grade. "It felt like a major challenge at the time, but in the end it was a pretty seamless switch", says Lewis. For Christy Youker, Education Director for UCRA, the key to remaining flexible is realizing that the original plan is not the only way to achieve project goals. "Understand what your real goal is because you can't foresee all the possible problems. You

have to just say, 'Okay, let's readjust, let's think about this and what's best for the kids. How do we keep this program going?'"

Using Creativity, Documentation and Evaluation to Promote STEM Education Programs

In working to develop a national model for other institutions, SAMFA and their partners have been sure to incorporate evaluation and documentation of the project from the beginning. Video recordings of the programs and interviews with participants have proven useful on a variety of levels. "They're a great advocacy tool," explains Lewis, "It's all well and good for us to sit and talk about the value of these programs and to insinuate that they're making an impact, but when you have students who are directly involved saying, 'These are things that I've learned directly through my experience with the program,' I think that first-person view lends so much more to someone's understanding of how this can make a positive impact on the community." Youker feels the videos will demonstrate the value of a multi-visit museum program to schools which might be skeptical about devoting limited resources to museum programs. Recordings are also being used as an internal analytic tool for the staff, helping them to reflect upon ways to improve future programming.

The project blog acts as a way to disseminate information on both a local and national level. Assistant Museum Educator, Megan DiRienzo developed the site as, "a place where teachers could come and follow up with their programs, download the curriculum, and get supplemental information if they wanted to go more into depth with the themes." The site has also become a place for the project educators to highlight and discuss ongoing issues in art and science fusion across the country, "We try to keep our blog posts in line with our goals for the project, mainly interdisciplinary learning and relating that learning directly to life," says DiRienzo.

Becoming a Learning Center to Help Meet the Needs of Schools and Communities

The project team agrees that the strength of the program is its interdisciplinary nature and its close ties to local community needs. "Art and science--that alone is a powerful concept in education right now. School districts are clamoring for it," says Youker. With looming budget cuts to arts education, Director Howard Taylor knows the museum has unique potential to teach students how to utilize visual arts skills of design and presentation to effectively communicate their findings from scientific research projects. "Tragically, most school systems don't think that way--science is science and art is art," Taylor explains. He and the rest of the staff are proud to be playing a leading role in redefining the ways art museums can work with science resources like UCRA to better serve their community, "I think there's something quite radical and potentially transformative happening here," says Taylor.

A Knight at the Museum Encourages Family Reading through Learning Quest Adventures



Recipient:
Treehouse Museum

Grant:
Museums for America -
Engaging Communities 2009

Pictured:
One of the Special Participating
Youth (SPYs) plays at the
Knight table with a Treehouse
Museum visitor.

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[Brochure](#) (PDF; 2.37MB)

"I think the program has increased the idea among parents and teachers that Treehouse Museum is not just a place to come and play, that it's more than that.

It's an educational resource to supplement what children are learning."

—Spencer Cobabe, Early Childhood Coordinator

A Knight at the Museum Encourages Family Reading through Learning Quest Adventures

The mission of Treehouse Museum in Ogden, Utah is to encourage reading and literacy by letting children and families "step into a story." The museum is a special place filled with storybook and fairy tale themed exhibits. Finding common cause during a chance meeting; local school principals and Treehouse Museum executive director, Lynne Goodwin started to explore a new idea. How could they use the museum as a venue to engage families in literacy activities?

"We know how important it is to involve the parents, demonstrate and celebrate reading and progress for students and parents, but we just couldn't find the right combination. Our teachers hated and dreaded family literacy nights at school," said one educator at West Haven Elementary. Working with school representatives, the Head Start program at Weber State University and a reading specialist, the museum staff created "A Knight at the Museum" family literacy program.

Supporting Family Involvement with a Variety of Activities for Children and Parents

The program is simple and effective. Children and their families visit the museum's exhibits, attend readings and book signings with children's authors, and are knighted by King Arthur (sometimes their school principal in medieval armor) as "Readers of the Roundtable".

Thanks to funding by an IMLS Museums for America Engaging Communities grant, the Treehouse Museum updated its exhibits for the program, offered the event at reduced cost to area schools, developed activity brochures and booklists to inspire families to read at home, and provided each participating school with seven free family museum memberships to present to low-income families. The program was also adapted as a kick-off event to encourage early-childhood learning and literacy among 300 local low-income families who had received free memberships to the museum from Head Start. The program continued during the summer months with the recruitment and training of 13 young teens as "Special Participating Youth" who served as volunteer mentors and storytellers in the knight-related exhibit area at Treehouse and as assistants for the "Readers of the Round Table" reading quest for families.

Partnering with Schools to Create a Customized and Unique Learning Experience

In meetings with schools prior to the event, Spencer Cobabe, Early Childhood Coordinator and Goodwin work to keep the program simple and relevant for the schools. "I think one of the strengths of the project has been that it's so customizable," explains Goodwin, "Every Knight at the Museum is unique." Schools are able to select the kinds of activities they want to participate in and how they frame the event as part of the larger year-long reading program.

One particularly enthusiastic principal has worked with Treehouse to create a different theme each year—including Three Musketeers and the Vikings—building off of the original Knight at the Museum structure.

Thank you notes from educators provide glowing reviews of the experience. "Having the authors from daytime presentations at the school present at the Treehouse to sign books, meet parents, and talk one-on-one with students contributes so much to our reading efforts. We couldn't keep their books in the library which is great," wrote Majestic Elementary. West Haven Elementary said that it was the "best attended family literacy night in [our school's] six year history."

This enthusiasm has helped the program continue beyond the end of the grant period. All seven schools from the funded year, plus several new schools, participated the following year even without the discounted price offered by grant funding.

"At the beginning of the year, I had a hard time getting appointments with this family. They had many things come up that made it difficult to meet with them. During our early visits, the mother was involved, but the father was not. We did a visit at the Treehouse Museum with the entire family. I followed the family throughout the museum and took pictures of them. The father was so involved and had a great time chasing his children around with a puppet. It felt incredible to watch them laugh and play together. The family has returned to the museum many times since. We had a great time making a book out of the photos. Since our visit to the Treehouse Museum the father has been involved with our visits. He reads and plays games with Abbygail. He is great at making activities fun for her."

—About a Head Start program family, from the Weber State University
Family Literacy Project 2009-2010 Annual Report.

The Museum is an Important and Respected Education Resource for the Community

The program's impact is more than anecdotal. Formal evaluation of the program's effect on the Head Start families by Weber State University found "major improvements in the parents' daily literacy activities with their children, such as engaging with children in dialogic reading strategies, storytelling, rhyming activities, and letter and word identification. A Knight at the Museum positively impacted parenting behaviors in the establishment of routines, contributing to creating a special time for reading each day."

The Museum's close working relationship with schools and Head Start has increased awareness about the role of Treehouse Museum as an educational resource in the Ogden community. "It solidified our reputation among the schools as being not just a provider of field trips, but as a partner with them in other ways," says Goodwin. The increase in visibility created a greater interest in the museum from families and donors. Program impacts have made it easier to convince local donors to support museum memberships for Head Start families. Membership revenue increased 27% over the grant period in comparison to the previous year and membership attendance went up 11%.

Advice for Interested Museums

For interested museums, the Treehouse staff recommends running a pilot program to smooth out the kinks. "The biggest challenge was the overwhelming response we got to the pilot program—we estimated 700 people would come and we ended up with twice that."

"Coping with everything from parking to where to put your coats, dealing with that number of people in the museum at one time, we learned how to staff for that and how many volunteers we needed. The pilot helped us decide specifically what we need to provide," Goodwin explains. For Cobabe, the pilot program was important for teaching that "simple is better." "Trying to get around to all the activities was difficult, so if schools simplified them, parents were able to get around to all stations. It lowers the stress level if they aren't rushing around to get to every single activity."

Treehouse Museum staff view the program as a potential model for other museums looking to become important community education resources. "Any museum that really wanted to partner with the schools could offer the chance to have an evening event with the families. It's a wonderful thing to open your facility to children who come on field trips, but whose parents don't always come with them," says Goodwin.

Teachers Use Museum Objects to Help Students Learn about Real-World Problems



Recipient

Peabody Museum of Natural History, Yale University

Grant

2009 National Leadership Grants for Museums

Project Resources

[Web site](#)

[View more photos](#)

Contact

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Pictured: High school science teachers Lorraine Mancini and Vicki Climie discussed ways of aligning their proposed unit about water resource management issues with the state science standards.

"Any institution has to cultivate a relationship with the people around them – it's a must. If you don't have that and things get out of hand, you wouldn't know where to go. In Peabody's case we have this family of people—we have a relationship with education that's accommodating. If people don't have that, they should be encouraged to do it. The benefits there are just humongous."

--Maxwell Amoh, Director of the Peabody's Event Based Teacher Collaborative

Traditionally, the idea of museums supporting formal education has meant providing exciting field trips and programming for K-12 students. At [Yale University's Peabody Museum of Natural History](#), however, supporting K-12 education goes beyond reaching students and extends to educating teachers as well. For nearly 15 years, the [Peabody Fellows Program](#) has been providing continuing education and professional development opportunities for teachers.

A New Direction for the Program

Now, thanks to a 2009 National Leadership Grant from IMLS of Museum and Library Services, the Peabody Fellows Program is taking on a new direction. Over the past two summers, the program has held institutes for science and social studies teachers. In contrast to previous years, these programs go beyond simply providing teachers with exposure to new content: they foster their ability to develop new and exciting curriculum that integrates museum objects while aligning with national and state standards for learning. Along with these week-long institutes, the grant is helping the Peabody Museum to establish a regional teachers' association which will cultivate the museum's relationship with educators while simultaneously making connections between teachers.

Teachers Collaborate to Develop Curriculum

At IMLSs, teachers are given an introduction to event-based learning, a form of curriculum where teachers create lesson plans around a current event or real-world problem as a "hook". Rather than presenting teachers with pre-created curriculum, however, the Peabody's summer institutes ask teachers to work together in small groups to design their own lesson plans which can be supplemented with museum knowledge and objects including learning kits of museum specimens to bring into the classroom. This focus on process-based rather than content-based professional development is a unique opportunity for teachers, explains Maxwell Amoh, Director of the Peabody's Event Based Teachers' Collaborative. "Teachers normally work individually on their own units, but when they got here they realized that we didn't create a lecture program to talk at them, but that they needed to form their own groups and work diligently to produce something."

Teachers were "gushing about their experience" in focus groups at the end of the week, says Amoh. "When you look at the evaluations, one of the things that they liked most about both institutes was the collaborative work and the conversations that started but are also continuing in many cases. They loved the chance to just have a week to work

together on something and to learn from each other about what they do." "We realized that they don't get that opportunity ever, really, unless they make it happen by themselves and what teacher has time to really do that?" adds David Heiser the museum's Head of Education and Outreach.

Sharing the Museum's Resources and Knowledge

At the end of the week, the teachers leave with more than just a new set of lesson plans. A major focus of IMLSs has been in developing ongoing relationships between teachers and museum staff. "We've been trying to establish a sense of family, says Heiser, "people come out with a name. They're known as a Peabody Fellow--and once a Peabody Fellow always a Peabody Fellow."

Work with the teachers has continued throughout the school year, thanks to the unique resources the museum is able to provide to educators. "What we have here at the museum are two things that we don't think they can find easily elsewhere. One is the access to objects and specimens. The second is we're part of a university. We're part of a network of knowledge that your average science teacher may not be able to tap into. At any point these teachers who we have formed relationships with know that they can contact us and if we don't have an answer we can steer them in the right direction," says Heiser. To date, teachers have made requests for objects to supplement learning from blue morpho butterflies to cheetah paws to teach about nature and demonstrate scientific processes.

Long-term Relationships Promote Participation

These close relationships with teachers not only benefit schools, but the network of Peabody Fellows has become an important resource for the museum as well. "We found out that we can call on these people in a time of need to help us out," says Heiser. When the Peabody abruptly lost one of its key project managers for the grant program, the museum was able to look to its fellows for assistance in making sure the program kept up its momentum. "What we ended up doing and what worked beautifully was to hand-select two teachers who we had worked with in the past to come in and serve as advisors as we were finishing the planning. I can't tell you how well that worked," explains Heiser.

Word of mouth from Peabody Fellows has also helped to fuel the success of and interest in the program. "We do the normal, traditional sending emails and brochures and all that, but the bulk of teachers who come to participate are actually recruited by teachers who have been in the program." says Amoh. Heiser also notes that, "[Teachers] really talk up what it is that we do at the grassroots level and really work within their districts to spread the word about the curricula that we've helped to develop and encourage the use of the kits that we've developed. We see a real benefit to developing this relationship with teachers and clearly teachers are getting something out of it too."

To further these relationships, the museum is currently working to establish a regional teachers' association which will bring together educators to share curriculum ideas and resources. Keeping the dialogue going will be the most important outcome of the grant project, says Heiser, "When we see the level of commitment that people have to the museum after having gone through these programs, we want to continue to make that a two-way street."

Goal Three: Building Professional Capacity

The need for lifelong learning applies to the staff of museums and libraries as well as their users. IMLS places a priority on building leadership capacity by supporting the development of a highly skilled workforce in libraries and museums. IMLS helps to spur innovation, support diversity, and build traditional library and museum service expertise.

Partnership with U.S. Department of Labor

Thirty million Americans used a library in 2009 to submit on-line applications, search for employment opportunities, and work on their résumés. Many of them visit their library on a regular basis. Three-quarters of these people reported using the library at least once a week.

IMLS and the U.S. Department of Labor, Employment and Training Administration (ETA) are building the connection between the workforce investment system and public libraries. IMLS has supported the training of over 1,800 library staff in hard-hit communities across the nation. ETA officially encouraged its state and local workforce investment boards, state workforce agencies, and One-Stop Career Centers to partner with public libraries.

Museums, Libraries, and 21st Century Skills

The Museums, Libraries, and 21st Century Skills initiative underscores the critical roles of museums and libraries in reaching underserved communities and helping citizens build such 21st century skills as information, communications and technology literacy, critical thinking, problem solving, creativity, civic literacy, and global awareness. By providing online tools; convening local library and museum leaders, public officials, social service agencies, and educators in communities across the nation; and highlighting important investments, IMLS is engaging libraries and museums in an important national dialogue about learning in the 21st century.

Project Profiles

National Librarian Training Program Supports Workforce Recovery Efforts



Recipient:
OCLC – WebJunction

Grant:
2009 & 2010 Laura Bush 21st
Century Librarian Program

Pictured:
Three members of the Project
Compass team.

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"It is so rare that we have an opportunity for time to talk, to think out loud and to share best practices. When you come together and you have that precious time to just talk and listen and share, not only does it help validate whatever you may be trying to do in your state but it helps inform your process."

--A Project Compass summit attendee on the value of the program

Knowledge, Skills, and Support to Meet the Challenges of Today's Libraries

In a single year, thirty million Americans used a library to help address career and employment needs. Of these, 3.7 million found a job according to [Opportunity for All: How the American Public Benefits from Internet Access at U.S. Libraries](#), a study conducted by the University of Washington Information School and funded by IMLS and the Bill & Melinda Gates Foundation.

Recognizing the important role that public libraries play in supporting the nation's unemployed, IMLS and the U.S. Department of Labor Employment and Training Administration partnered in 2010 to foster connections between the nation's workforce agencies and its public libraries. In keeping with its support of workforce resources at public libraries, IMLS awarded grants in 2009 & 2010 to WebJunction and its partner, State Library of North Carolina (SLNC) for Project Compass. The program was designed to collect information about the increasing demands on library services due to the recession to provide training, to foster peer knowledge exchange between librarians about best practices in responding to unemployment issues, and to create a central online source for librarians looking to connect customers with workforce resources.

State Library Resources and IMLS Funding Facilitate Strategic Planning

Funded by Laura Bush 21st Century Librarian Program grants from IMLS of Museum and Library Services in 2009 & 2010, Project Compass was able to provide:

Year One Accomplishments

- State by state snapshots of the increasing demand for library services relating to job seeking
- A series of regional summits for state librarians to discuss and share successful strategies for providing resources to unemployed patrons
- A wide variety of [online workforce resources](#) for librarians
- 5 summits (4 in-person and 1 online) attended by 109 state library representatives from 50 states and the District of Columbia

Year Two Goals

- 60 in-person workshops teaching front-line library staff in the nation's highest chronic unemployment areas about connecting unemployed patrons to workforce resources
- Online workshops for library staff unable to attend in-person workshops
- Enhancing workforce services and programs for unemployed patrons
- Informational sessions and training workshops on workforce recovery for attendees at many state library association conference programs
- Projected estimates of reaching 1800 library staff throughout the country
- Online workshop guide for libraries who wish to hold their own training sessions on workforce recovery for library staff



When the recession caused libraries to confront increasing demands from unemployed patrons seeking assistance in job-seeking, WebJunction saw an opportunity to help.

Responding to Workforce Community Needs

["Library Responses to Economic Tough Times"](#), a survey of state librarians used to develop data for the state-by-state snapshots, demonstrated how much communities affected by the recession were relying on the support of the library. 94% of libraries reported increased patron demand for help finding jobs, writing resumes and cover letters, and filing online application forms. "When faced with unemployment, very often, people turn to the library first," says Gutsche. "It's almost instinctive. The library is a very trusted institution in the community." In contrast to many workforce development agencies, libraries are family-friendly, open longer hours and are often more readily accessible—there are only 3,000 workforce agencies in the country compared with 16,000 public libraries.



Above: Shelley Walchak, Senior Consultant at the Colorado State Library, presenting a showcase of the workforce recovery efforts of the state library at the Portland (OR) summit in the first year of the project.

A topic of conversation between librarians at many of the summits was the necessity of working closely with other community agencies to best serve patrons' needs. Gutsche related the story of one library in Tacoma which began seeing a sudden rush of job-seeking patrons every night. "The workforce center across the street closed at five and all those people who had unfinished tasks flooded into the library. The library was able to shift its staffing patterns and understand what needs people were coming with by talking to the workforce agency staff. They came to a mutual agreement as to how they could best handle the sudden flow and keep meeting the needs of the patrons which is really the ultimate goal for everybody."

Discussions at the Project Compass summits revealed how much library response to the needs of unemployed patrons goes beyond traditional job-seeking help like resume-writing. Gutsche was surprised by "the extent to which libraries have had to serve patrons who have little to no computer experience in a job market that demands computer skills." Today, even jobs which require no computer knowledge often have online application processes—a daunting prospect for those unfamiliar with computers. Librarians were confronted with other equally challenging issues. Most importantly, how can the library help the unemployed in an economic situation where few jobs exist?

Project Profile: Keep It Simple, Doc: How to Build a Consumer Health Portal



Recipient: Health Sciences Library of the University of North Carolina-Chapel Hill

Grant: 2007-2008 Grants to State Library Agencies / Library Services and Technology Act

Pictured: Christie Silbajoris, Director of NC Health Info, and participants at the NCHEALINFO exhibit during the annual "Fiesta del Pueblo" in Raleigh, NC.

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Health information is a broad category covering many complex topics. When creating a consumer health Web site, it's more effective to build an index of trustworthy resources than to point people straight to the most comprehensive source. Librarians at the Health Sciences Library of the University of North Carolina-Chapel Hill learned this while developing and managing their NC Health Info Web site.

In 2001, they created a consumer health site called Go Local. It pulled information from the National Library of Medicine's MedlinePlus Web site and connected it to local health resources in North Carolina.

After a few years, the library realized that the detailed information in MedlinePlus might be too overwhelming for the novice user, and what was needed was another layer, or portal page, that would highlight the topics of most interest to people in the state.

"Our goal was to design a more simplified portal, called NC Health Info, that focused on the most important health topics to North Carolinians," said Diana McDuffee, who led the project. "And we developed that site with the intended audience of public libraries, librarians, and their users as well as those who find it on their own on the Web."

There certainly is a need for the state's libraries to have access to organized, trusted health information. In one survey, North Carolina public librarians said up to 40 percent of questions they field are about health issues.

On a broader level, between 75 to 80 percent of Internet users look online for health information, according to the Pew Internet and American Life Project.

The library's NC Health Info project modified the Go Local site to meet these needs. In 2005, the library received an IMLS planning grant for the project. It was also awarded consecutive one-year grants funded by the IMLS Grants to States program in 2006 and 2007.

The Health Sciences Library at the University of North Carolina-Chapel Hill led the project on behalf of a statewide steering committee made up of the following partners: libraries at Wake Forest University Medical School, Duke University Medical School and East Carolina Medical School; the state library of North Carolina and public libraries including New Hanover County Public Library and Forsyth County Public Library; North Carolina Area Health Education Center libraries; and IMLS of Public Health at the University of North Carolina-Chapel Hill.

Managing a Portal Site

In 2006–2007, the partners built and launched the NC Health Info portal at www.nchealthinfo.org. During the 2007–2008 grant years, they continued developing the site and created a version in Spanish.

The site's home page is a directory of health topics divided into 10 categories, including Diseases & Conditions; Military Health; Medications; Treatments & Procedures; Health Care (including insurance information); and Public Health & Wellness. One column showcases timely content, such as H1N1 flu information, and a rotating monthly feature. Each topic page contains links to trusted, noncommercial sources, including MedlinePlus and North Carolina state agencies.

Thirty-eight volunteer librarians currently participate in the project from across the state and serve as Web page editors for each of the topic pages, using criteria provided by the NC Health Info Content Subcommittee. Once the librarians have compiled their Web pages, they submit them to the project staff, which sends them to the project's Content Subcommittee, the members of which are health sciences content experts. They look over each page and make any necessary changes before it goes live to the public. In addition, every page gets reviewed by the content experts thoroughly every six months.

"We thought it was important that public libraries relied on sources—particularly of health information—that were trustworthy and had been evaluated by health sciences librarians for the quality of their content," said McDuffee.

Providing Spanish pages has doubled the number of Web pages on the site. "Each page editor is asked to identify Spanish-language resources that are comparable to what they chose for each English-language page. Each page editor has both an English and a Spanish page to maintain," McDuffie explained.

During the 2007–2008 grant period, the team also created metadata for each page and added Google Analytics tracking so that they could be assured of search engine optimization. They licensed "Easy-to-Read" content tutorials from the Patient Education Institute; added eight instructional tip sheets for librarians to use in answering FAQs; and hired promotional consultants to develop two separate marketing plans: one for the general public and one for public libraries.

The partners promoted the site at the North Carolina Library Association's Biennial Conference, at a workshop hosted by Elsevier (a health and science publisher), and at La Fiesta del Pueblo in Raleigh. The library created new print materials (bookmarks, brochures, and flyers) for the project in both English and Spanish and distributed those to public libraries.

Growing Content and Usage

At the end of the 2007-2008 grant period, the portal had 120 Web pages with links to health information sites, about half of those in Spanish. The project boasted 25 volunteer content editors; five were added during that funding year.

There were 224,644 unique visitors to the portal site: 61.7 percent come from search engines, 21 percent from referring sites (e.g. links from public libraries), and 17 percent from direct traffic. A total of 340 sites linked to NCHealthInfo.org at the end of the grant year.

Internet users in the state quickly found the new Spanish pages.

"As soon as the Spanish pages were launched, immediately our Google Analytics started showing that the Spanish language was drawing lots of people to our site. We started to see that in the top 10 terms that were used to come to our site, Spanish terms were appearing right away," said McDuffee. "And we think that's an indication, more than anything, of how little there is out there in Spanish for those who are using the Internet to seek information."

One of NC Health Info's marketing consultants was also teaching a social marketing class during summer school. The library provided questions for the class to brainstorm a social marketing campaign for NC Health Info; the resulting surveys produced some great ideas, including the project's new tag line: "Your State. Your Health."

Project Profile: Research Explores How School Librarians Use Digital Content for STEM Learning



Recipient:
Florida State University, School of
Library & Information Studies

Grant:
Laura Bush 21st Century
Librarian Program Early Career
Researcher Grant, 2009-2012

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*"Develop an easy-to-use tool that is cross-platform, and cross-browser compatible, which allows school librarians to import web resources into their catalogs."
-Web2Marc Objective*

The vision for Digital Libraries to School Libraries (DL2SL).

"I feel my job is to prepare school librarians for the future, not for now," explains Marcia Mardis, an Associate Professor at Florida State University's School of Library and Information Studies. "I want to make sure that they are not surprised by any trends that are coming down the line and understand how they fit into those trends." One such trend will undoubtedly be a renewed focus on STEM (science, technology, engineering and mathematics) learning in schools. Despite historical achievement, the United States lags behind other nations in STEM education at the elementary and secondary levels. International comparisons of students' performance in science and mathematics consistently place the United States in the middle of the pack or lower. Libraries are part of the solution. IMLS has supported research, conferences, professional development, and a host of library and museum projects designed to improve STEM learning and teaching.

Having spent more than ten years developing science collections in school libraries, Mardis is no stranger to the challenges of integrating STEM resources into the K-12 catalog.

Paving the way for the future of STEM learning in school libraries.

Lack of STEM expertise among school librarians combined with rapid dissemination of new information in STEM fields means that school libraries' STEM resources are often poorly represented or out of date. Interestingly, however, recent research suggests that traditional materials—like books-- are not the most effective ways to promote STEM learning. Instead, studies suggest that students learn STEM concepts most effectively when exposed to interactive resources like models, videos, images, data sets and manipulatives, many of which are freely available to school libraries as open content through the web. With funding from a Laura Bush 21st Century Librarian grant, Mardis's current research is paving the way for the future of STEM learning in school libraries both by investigating how librarians are currently using open content STEM resources and by developing a tool that allows librarians to easily create catalog records for these resources.

Overcoming barriers to open content use.

Technology constraints in schools have forced Mardis to be flexible when designing a tool to facilitate integration of open content into school library catalogs. Originally, the plan was to create an RSS feed for open content STEM resources. She soon realized, however, that librarians preferred selecting their own resources, but wanted to be able to quickly add a record to their catalogs.

Preliminary results from Mardis's survey of open content use by librarians suggests that bandwidth issues, more than catalog constraints, are preventing librarians from adding online content to their catalogs. "A lot of schools feel very limited in how much they can utilize digital resources based on the amount of connectivity they are allowed to consume," she explains. Slow internet connections keep many teachers from spontaneously streaming online resources in the classroom, even when librarians provide them with great resources.

The Web2MARC Tool.

Initially she addressed some of the use and access issues by using Zotero, a citation creation resource which automatically generates a MARC record from an online resource. However, because Zotero was developed for use with Firefox, a browser not used by many schools, it had limited utility. "So we cut out the middleman," Mardis says, and together with her programmer created their own [Web2MARC](#) tool, which automatically generates MARC library records from the URLs of online resources.

As the grant approaches its final year, Mardis will begin presenting Web2MARC to the library community. Along with a professional evaluator, Mardis will lead a workshop and two in-school case studies to better understand how librarians and their students use STEM digital resources. From those librarians already familiar with the Web2MARC tool, Mardis has heard glowing reviews. "I've been so pleased and actually a little bit overwhelmed at the delight of the users. I just demonstrated it for some school library district directors and they were blown away. They said, "Oh, this is so obvious! Where has this been all our lives" Librarians who work with English language learners and special education students have been particularly enthusiastic. She explains, "When you're teaching science in particular to these students, the more visual and interactive you can be, the more ways kids have to demonstrate what they know."

School librarians have essential technical expertise.

The project has also surfaced the importance of strong relationships between librarians and STEM teachers. "There are so many librarians who have said to me, 'Well, I don't really even know what to say to my science teacher', but those that had good relationships with their science teachers didn't let their lack of content knowledge stop them, because they knew that they had something to offer." Mardis hopes the study will help librarians realize the value of their expertise as schools move to digital resources.

"[Librarians] aren't being disenfranchised by the move to digital textbooks and open content in schools, because somebody needs to be there to advise on the selection, organization and management of using more digital content in schools. I think the Web2MARC tool can help them have an entry point that's comfortable to them, because every librarian knows how to work his or her catalog."

Encouraging STEM careers through modeling, mentoring, and informal environments.

Mardis is hopeful that the case studies developed from the project will do more than just provide feedback on the Web2MARC tool, but instead will start a dialogue between students, STEM teachers, and librarians. "I want to hear what students wish they could do in a science class and that they don't do, and what they wished they could do in the school library and that they can't do. Because, I think that sometimes we underestimate our kids. And I think that kids are really a lot more excited about learning than we think they are."

Multicultural Internship Program Mentors and Inspires Teens to Seek Library Careers

**Recipient:**

Brooklyn Public Library

Grant: 2009 Laura Bush 21st Century Librarian Program Pre-professional Programs

Pictured:

The Multicultural Internship Program (MIP) coordinator and a MIP intern.

Photograph by Gregg Richards.

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Project Resources:

[Web site](#) | [Blog](#)
[Wiki](#) | [Flyer](#)

"When you give teens opportunities, and especially meaningful opportunities, they will exceed your expectations. It's part of that larger youth development project."

-Shelia Schofer, Coordinator of Young Adult Services at the Brooklyn Public Library

A Commitment to Serving the Needs of the Diverse People of Brooklyn

One of the goals of the Laura Bush 21st Century Librarian Program is to attract a new generation of diverse and creative people to librarianship. With 37% of its community foreign born and 47% speaking a language other than English at home, the Brooklyn Public Library serves one of the most diverse areas of the U.S. The BPL's innovative Multicultural Intern Program (MIP) was designed with this diversity in mind. The three year program's goal was to expose teens from a range of ethnic, cultural and linguistic backgrounds to library careers through structured paid internships. Thanks to the interns' range of backgrounds—year two's group of 60 speaks 19 languages fluently—interns and staff were able to work together to reach out to lower-income new Americans and recent immigrant communities. Teens worked on a variety of projects ranging from work as translators to designing library programming like weekly Chinese language story hours.

Mentoring, Open Communication and Community Involvement

Kerwin Pilgrim, Coordinator of Business and Workforce Development, feels that much of the success of the project rests in "paying attention to communication and trying to change things as we go along to make the program better." Dialogue between the library and teens started with information sessions on the program prior to the application process. Staff made sure that students knew the library was looking for real community involvement—this wasn't just a job. Once selected, students were paired with a staff mentor at their branch.

"The whole program is set up to encourage that positive feedback loop of sharing ideas and keeping in touch," says Elizabeth Lewis, Director of Literacy Program & Volunteer Resources. Both students and mentors expressed interest in sharing day-to-day experiences with the group, but coordinating the schedules of 50 students and their mentors proved to be a challenge. Instead, program coordinator Jennifer Thompson relied on variety of tools for communication including email, a [blog](#) and an internal [wiki](#). The wiki, with its ability to be updated by all program participants, quickly became an online "social gathering place."

Teens Aspire to Careers in Library Science and Become Community Leaders

The program has inspired the entire library staff. "It pushes other librarians to embrace the concept of listening to what teens want even if they don't have interns at that branch," remarks Elizabeth. The biggest impact, however, has been on the students themselves. "We have a handful that are definitely going to be librarians. The other day I heard one of our first years joking with a friend saying, 'Well, when I become a librarian I'm going to show you how to do that.'" says Jennifer. For those students who aren't considering LIS careers, the internship has still meant a new dedication to their community through the library. "They want to be a go-to-group," Jennifer explains, noting that many students continue to participate in library advocacy events and book drives after completing their internships.

Interns have also spread the word about the library to other teens in the community, bringing them to classes on college application writing and financial management. For some, the program has created lasting friendships with students from other backgrounds. At the Education and Job Information Center, the program purposefully paired Portia, a very outgoing and savvy student with Ali, a student who, as a recent immigrant, is still learning the ins and outs of the community. "On the surface, if you were to look at them and their interview applications, you would think 'they would never be friends outside of this program'", says Jennifer, but at the library they are, "two peas in a pod."

Mentor-to-Intern Relationships and Full-time Participation Facilitate Success

For institutions hoping to create a similar program in their communities, the staff at the BPL have a number of suggestions. Most importantly, the project needs a dedicated coordinator. "It will not survive if someone is doing this part-time," says Thompson, "I couldn't imagine working a reference desk and trying to run this program."

Mentor-intern relationships are key to keeping interns supported and motivated. Evaluations from year one showed that the students were happiest when they felt they had a say in the projects they were undertaking. As for marketing the program to teens, Kerwin advises, "Deliver a quality program and you will not have problems filling the slots. In the second year we had more applications than we anticipated because of word of mouth...You don't have to spend a huge amount of money on marketing."

Measuring Impact

BPL hired an outside evaluator to conduct evaluations and surveys throughout the course of the project. "Anything the students had comments about or suggestions for, we gave it a shot," said Jennifer. In year two, these comments have meant a greater emphasis on social gatherings and bonding experiences for interns and mentors alike. Whereas year one only had two meetings for the whole MIP group, this year the program team is making an effort to get the group together multiple times throughout the course of the internship.

Planning for the Program's Future. Reaching More Communities through Experience and Best Practices

BPL has already begun considering ways to continue the program beyond the three years funded by the IMLS grant. Additionally, efforts have been made to broaden the program's impact by presenting its success to the public. At the 2010 National Diversity in Libraries Conference, Jennifer's presentation of a poster created by the teens sparked a great deal of interest from other librarians.

She was invited to take part in a panel discussion on multicultural issues at the 2010 New York Librarian Association Conference. Thanks to this publicity, the library has received calls from communities across the country hoping to replicate the program. Currently, the team is exploring the possibility of bringing the third year of teens to the Public Library Association Conference in 2012, allowing them the chance to speak to a wider audience about the program's impact on their lives.

Tips for Teen Programming

- Develop methods to get feedback from participants throughout the program and apply what you learn right away.
- Be clear about program requirements.
- Make it fun, opportunities for face to face socializing are as important as online networks.
- Provide staff time for project management and build in communications loops.
- Teen social networks will help market your program.
- Empower teens with knowledge so that they can be resources for others

Goal Four: Attaining Excellence in Federal Management, Operations, and Service

The agency is focused on its administrative capacity to fulfill its statutory grant making, research, and evaluation activities. IMLS has completed the integration of federal responsibilities for library statistics activities and providing advice on library and information policy into its program activities. IMLS's management is committed to meeting growing expectations to demonstrate accountability. Strategic planning and evaluation are a priority at IMLS in order to continue to achieve high quality management and performance.

IMLS continues its commitment to improving administrative efficiencies, focusing on is on high-quality stewardship of public funds and outstanding public service.

Management and Organizational Excellence

Recent Highlights

Focus on Monitoring and Results

IMLS has created an Office of Planning, Research and Evaluation to carry out formal collections of nonpartisan, evidence-based data to inform grant making priorities. One example is new work with Grants to State Libraries, IMLS's largest grant program, which is engaging library staff in every state and developing new metrics to measure success and inform future resource allocation. Another example is the recently completed independent evaluation of Museums for America, IMLS's largest museum grant program. Findings from this study have been used to reshape the agency's museum investments.

Citizen Engagement Strategies – Open Government

The agency has begun to use social media and other citizen-science-model strategies to enhance public participation in the development of agency programs and encourage collaboration. The agency recently launched an enhanced web site that allows the public to learn about agency investments in community institutions and find data and policy briefs associated with a variety of issue areas including early learning, health, workforce, STEM learning, broadband, global awareness, and education support.

In July, IMLS used IdeaScale, a social media platform, to engage citizen participation in developing its strategic plan. More than 1,400 users participated by voting for their favorite ideas, adding new ideas, and commenting on ideas. And just last month, we launched a blog to continue to engage the public in discussion of library, museum, and information service issues.

IMLS has prioritized strategic planning, evaluation and implementation of a comprehensive strategy for improving the management and performance of the agency.

IMLS activities in these areas are highlighted below.

Improved Management of Human Capital

Highlights of new or improved human capital management initiatives within the IMLS Office of Human Resources (OHR) in FY 2011 included:

- The deployment of a new web-based Employee Portal for onboarding new employees, as well as a quarterly new employee Agency-wide orientation program.
- The implementation of an enhanced telework program to ensure the continuity of essential government functions in the event of a national or local emergency; this program also plays a critical role for IMLS in recruiting and retaining the best possible workforce.

- The implementation of a new Bikeshare program to encourage employee wellness and reduce traffic congestion and air pollution.
- Further streamlining of the recruitment and staffing process within the U.S. Office of Personnel Management's (OPM) hiring reform initiative. The 80-day hiring mapping plan was implemented last year and IMLS stayed on target in FY 2011 in meeting the annual OPM requirements.
- The integration of EEO and diversity programs to the Agency's overall strategic plan.
- The FY 2011 Human Capital Accountability and Assessment Framework (HCAAF) report showed the Institute's growth in program areas and how we engaged employee feedback in key agency decisions.
- The successful hiring of veteran candidates, continuing the Institute's commitment to a high-performing and diverse workforce, including veterans and persons with disabilities.

Modernized Information Technology

IMLS's ongoing efforts to modernize its technology have allowed the agency to maximize its operational efforts and support a more mobile workforce. Cyber security initiatives have played a key role in the IMLS' implementation of the enhancement to the Telework Act and the security guidelines in the Telework Directive. In addition, the Institute deployed laptops to all employees in FY 2011 to further create a more efficient and mobile workforce.

The planning and implementation of a new telecommunications environment as a result of the agency telecommunications infrastructure assessment focused on expansion and/or replacement needs for phone, data, equipment, and services that will create a platform for mandates and initiatives. The Department of Homeland Security and OMB's efforts to consolidate and monitor internet traffic via the Trusted Internet Connection (TIC), validate domain names via Domain Name Services security (DNSSec), and expand agency capacity with Internet Protocol version 6 (IPv6) initiatives have been incorporated into the Office of the Chief Information Officer's (OCIO) decision making framework for future migrations and upgrades of the agency's infrastructure. Key components of the framework are based on White House's 25 Point Implementation Plan to Reform Federal Information Technology Management. We have incorporated recommendations from the plan into our IT strategic planning process that includes cloud technology, shares services, improved program management, and information technology acquisition.

To ensure that we meet the Federal Information Security Management Act (FISMA) reporting requirement, the implementation of a continuous monitoring solution has expanded our scope of security monitoring, increased visibility, and improved customer service. To expand on the increase in customer service the OCIO developed and implemented priority and escalation procedures which identified service levels for managing our customer's information technology concerns and issues. These procedures are the framework for trend analysis, hardware and software support, and response and resolution.

<p>IMLS continues to improve Information Technology operations to fully meet the requirements of the Federal Information Security Management Act of 2002 (FISMA) and to fully implement security measures.</p>	<p>Improvements were implemented to address previous weaknesses in network security controls. A FISMA audit was conducted. A review of some processes to enhance security controls will address the detailed findings. Emphasis has been placed on steps that will support the White House's 25 Point Implementation Plan and management of continuous monitoring and reporting.</p>
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Improved Grants Management

IMLS has expanded its electronic government capabilities and will continue to use improved technology to minimize the burden on applicants and grantees and increase agency efficiency. IMLS presently delivers a number of services electronically; the IMLS homepage provides access to all grant guidelines, instructions and forms for managing grants. The site provides a useful portal to IMLS-produced planning and evaluation tools, and also links users to publications and online resources.

IMLS actively participates in government-wide initiatives to streamline the federal grant making process. The agency has representation on the federal Grants Executive Board (GEB) and the Grants Policy Committee (GPC), and participates in the Grants.gov User Group. In FY 2011, the agency participated in the OMB Improving Grants and Federal Spending Transparency and Data Quality Working Group, and looks forward to further participation in FY 2012.

The Grants.gov initiative provides a single location to publish grant opportunities and by providing a single site for grant applications using common forms, processes, and systems. By utilizing Grants.gov, IMLS can reach a larger, more diverse applicant pool.

The Grants Management Line of Business (GMLoB) is a collaboration among 26 grant-making agencies with the goal of balancing their grant-making needs with government-wide goals of efficiency, standardization, streamlining, and transparency. GMLoB's objectives include improving citizen access, customer service, and agency financial and technical stewardship.

IMLS has signed an MOU with one of the OMB approved GMLoB service providers, the Department of Education (ED), to move the Institute's grants management functions to ED's G5 Grants Management System. In FY 2011, the IMLS/G5 Fit-Gap analysis was completed. Currently, the agency is working with the G5 Grants Management System team to define requirements and develop high-level design for implementation. IMLS anticipates being fully operational in the G5 Grants Management System by the end of FY 2013.

IMLS anticipates the key benefit of migrating to the G5 Grants Management System will be having a centralized location to download all applications, make awards, and track awards throughout their lifecycle, including close-out. Automated business processes available through the G5 system will decrease agency reliance on manual and paper-based processing. Additionally, the agency will handle all financial processes associated with grants through the system, reducing staff time and effort, and further improving IMLS' compliance with the Federal Financial Assistance Management Improvement Act of 1999 and the Federal Funding Accountability and Transparency Act of 2006.

Externally, service to constituents in the museum and library communities will be greatly improved through the standardization and streamlining of grants business processes. The public will receive time savings as a result of quicker notification and faster payments due to an automated system for grants processing.

Improved Transparency and Accountability

In January 2009 the President issued a memorandum calling for increased transparency, collaboration, and public participation in government. IMLS embraced this memorandum as an opportunity to build upon its solid record of openness and consultation. Through its grant making, convening's, data collection, research, and policy work, IMLS has provided resources and inspiration to support the development and use of new technologies to expand access to and use of education and information services in communities across the country and around the globe. IMLS has sought to engage the public in the development of core agency functions, and was the first federal cultural agency to provide a publically accessible searchable grants database (2002).

In addition, the agency's web site highlights a grantee each month, providing an in-depth profile about a successful project. IMLS places a high priority on public communication and produces a free monthly electronic newsletter with 10,000 subscribers. The agency also produces regular press releases and has established a RSS feed.

In FY 2011 IMLS continued its successful and cost-beneficial partnerships with the following shared service providers:

- The Federal Aviation Administration's (FAA) Enterprise Service Center (ESC) for accounting and financial services;
- Northrop Grumman and the Department of Transportation for E-travel services;
- The General Services Administration (GSA) for the use of Agency purchase and travel credit cards.
- The Department of Interior – National Business Center for payroll services and indirect cost grant proposals.

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

Sub-award reporting

In accordance with the Federal Funding Accountability and Transparency Act of 2006, and the renewed emphasis on transparency, open access, and data quality, IMLS began requiring prime grant awardees, who met the applicable OMB requirements under the Act, to report on the sub-awards they make to using Federal dollars in FY 2011. While this has increased the reporting burden on the awardees, the public now has enhanced access to Agency information from the added transparency.

IV. Financial Section

A Message from the Chief Financial Officer

I am pleased to join the Institute's Director, Susan H. Hildreth, in presenting the IMLS FY 2011 Performance and Accountability Report. This report is an integrated presentation of our programmatic and management achievements over the past year and reflects our financial status as of September 30, 2011.

IMLS' longstanding commitment to organizational excellence and sound financial management practice continues to serve us well. I am happy to report that the Institute received a sixth consecutive unqualified audit opinion for the FY 2011 and 2010 comparative financial statements. The audit report contained no findings.

Continued innovative financial management enables IMLS to pursue strategic and critical investments in museums and libraries, helping ensure the nation's prosperity and long standing commitment to life-long learning. We will continue to prioritize and allocate resources appropriately to ensure that our new five year strategic plan (FY 2012 – FY 2016) is carried out in the most efficient and effective manner, and that our mission to inspire libraries and museums to advance innovation, learning, and civic engagement is achieved.

I want to extend my sincere thanks and appreciation to all of the dedicated staff at IMLS whose hard work made the FY 2011 audit opinion possible. We remain proud of our accomplishments and look forward to more financial management improvements in fiscal year 2012.

Michael D. Jerger



Chief Financial Officer

Institute of Museum and Library Services

Audit of Financial Statements

**As of and for the Years Ended
September 30, 2011 and 2010**

Submitted By

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Certified Public Accountants & Management Consultants



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Susan Hildreth, Director
Institute of Museum and Library Services

Independent Auditor's Report

We have audited the balance sheets of the Institute of Museum and Library Services (IMLS) as of September 30, 2011 and 2010, and the related statements of net cost, changes in net position, and budgetary resources (the financial statements) for the years then ended. The objective of our audits was to express an opinion on the fair presentation of those financial statements. In connection with our audit, we also considered IMLS' internal control over financial reporting and tested IMLS' compliance with certain provisions of applicable laws and regulations that could have a direct and material effect on its financial statements.

SUMMARY

As stated in our opinion on the financial statements, we found that IMLS' financial statements as of and for the years ended September 30, 2011 and 2010, are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

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

The results of our tests of compliance with certain provisions of laws and regulations disclosed no instances of noncompliance that are required to be reported herein under *Government Auditing Standards*, issued by the Comptroller General of the United States and Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements* (as amended).

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

OPINION ON THE FINANCIAL STATEMENTS

We have audited the accompanying balance sheets of the IMLS as of September 30, 2011 and 2010, and the related statements of net cost, changes in net position, and budgetary resources for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position, net cost, changes in net position, and budgetary resources of the IMLS as of and for the years ended September 30, 2011 and 2010, in conformity with accounting principles generally accepted in the United States of America.

The information in the Management's Discussion and Analysis section is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America or OMB Circular A-136, *Financial Reporting Requirements*. We have applied certain limited procedures, which consisted principally of inquiries of IMLS management regarding the methods of measurement and presentation of the supplementary information and analysis of the information for consistency with the financial statements. However, we did not audit the information and express no opinion on it. The Performance and Accountability Report, except for Management's Discussion and Analysis, is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements of the IMLS as of and for the years ended September 30, 2011 and 2010, in accordance with auditing standards generally accepted in the United States of America, we considered IMLS' internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of IMLS' internal control. Accordingly, we do not express an opinion on the effectiveness of IMLS' internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph in this section of the report and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

We noted a control deficiency over financial reporting and its operation that we have reported to the management of the IMLS and those charged with governance in a separate letter dated November 7, 2011.

COMPLIANCE WITH LAWS AND REGULATIONS

The results of our tests of compliance with certain provisions of laws and regulations, as described in the Responsibilities section of this report, disclosed no instances of noncompliance with laws and regulations that are required to be reported under *Government Auditing Standards* and OMB Bulletin 07-04 (as amended).

RESPONSIBILITIES

Management Responsibilities

Management of the IMLS is responsible for: (1) preparing the financial statements in conformity with generally accepted accounting principles; (2) establishing, maintaining, and assessing internal control to provide reasonable assurance that the broad control objectives of the Federal Managers Financial Integrity Act (FMFIA) are met; and (3) complying with applicable laws and regulations. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies.

Auditor Responsibilities

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Bulletin 07-04, *Audit Requirements for Federal Financial Statements* (as amended). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes (1) examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; (2) assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In planning and performing our audit, we considered IMLS' internal control over financial reporting by obtaining an understanding of the agency's internal control, determining whether internal controls had been placed in operation, assessing control risk, and performing tests of controls in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements.

We limited our internal control testing to those controls necessary to achieve the objectives described in OMB Bulletin 07-04 (as amended) and *Government Auditing Standards*. We did not test all internal controls relevant to operating objectives as broadly defined by FMFIA. Our procedures were not designed to provide an opinion on internal control over financial reporting. Consequently, we do not express an opinion thereon.

As required by OMB Bulletin 07-04 (as amended), with respect to internal control related to performance measures determined to be key and reported in Management's Discussion and Analysis, we made inquiries of management concerning the methods of preparing the information, including whether it was measured and presented within prescribed guidelines; changes in the methods of measurement or presentation from those used in the prior period(s) and the reasons for any such changes; and significant assumptions or interpretations underlying the measurement or presentation. We also evaluated the consistency of Management's Discussion and Analysis with management's responses to the foregoing inquiries, audited financial statements, and other audit evidence obtained during the examination of the financial statements. Our procedures were not designed to provide assurance on internal control over reported performance measures, and, accordingly, we do not provide an opinion thereon.

As part of obtaining reasonable assurance about whether the agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and significant provisions of contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts, and certain other laws and regulations specified in OMB Bulletin 07-04 (as amended). We limited our tests of compliance to these provisions and we did not test compliance with all laws and regulations applicable to the IMLS. Providing an opinion on compliance with certain provisions of laws, regulations, and significant contract provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

AGENCY COMMENTS AND AUDITOR EVALUATION

In commenting on the draft of this report, the management of IMLS concurred with the facts and conclusions in our report. A copy of management's response, which includes discussion of actions planned or taken to correct the reported deficiencies, accompanies this report.

DISTRIBUTION

This report is intended solely for the information and use of the management and others within the IMLS, OMB, and Congress, and is not intended to be and should not be used by anyone other than these specified parties.

Leon Snead & Company, P.C.
Leon Snead & Company, P.C.
November 7, 2011

CC: Nancy Weiss, IMLS General Counsel
Michael Jerger, IMLS Chief Financial Officer

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

October 27, 2011

Leon Snead & Company
416 Hungerford Drive, Suite 400
Rockville, Maryland 20850

Dear Mr. Snead:

Thank you for managing the audit of the Institute of Museum and Library Services ("IMLS" or the "Institute") fiscal year 2011 financial statements and related review of our internal controls and compliance with laws and regulations, as required by the Accountability of Tax Dollars Act of 2002.

We were pleased to receive your opinion that our financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and that the results of your tests of compliance disclosed no instances of noncompliance with laws and regulations that are required to be reported under *Government Auditing Standards* and OMB Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements* (as amended). Your work helped validate the success of our continuing efforts to enhance IMLS's financial management systems.

We are delighted that fiscal year 2011 marks IMLS' sixth consecutive unqualified audit opinion. The Institute remains dedicated to improving our operations to meet the ongoing challenges in federal financial management.

We appreciate the time and effort committed by you and your colleagues who worked on the audit. We take our financial accounting and reporting responsibilities seriously and truly welcome your recommendations of ways to continue to strengthen our financial systems.

Sincerely,



Susan H. Hildreth
Director

INSTITUTE OF MUSEUM AND LIBRARY SERVICES
BALANCE SHEET
As of September 30, 2011 and 2010
(in dollars)

Assets:	<u>2011</u>	<u>2010</u>
Intragovernmental :		
Fund balance with Treasury (note 2)	\$ 348,150,597	\$ 385,755,712
Other - Advances (note 4)	-	-
Total intragovernmental	<u>348,150,597</u>	<u>385,755,712</u>
General property, plant and equipment, net (note 3)	289,368	395,830
Other - Grant Advances (note 4)	5,753,981	4,170,553
Total assets	<u>\$ 354,193,946</u>	<u>\$ 390,322,095</u>
Liabilities:		
Intragovernmental :		
Other (note 6)	\$ 3,755,788	\$ 2,883,966
Total intragovernmental	<u>3,755,788</u>	<u>2,883,966</u>
Accounts payable	260,114	144,071
Benefits due and payable (note 5)	604,184	625,503
Other (note 6)	479,097	754,467
Other - Grant Accrual (note 6)	49,816,389	49,955,598
Total liabilities	<u>54,915,572</u>	<u>54,363,605</u>
Commitments and contingencies	-	-
Net position:		
Unexpended appropriations - other funds	298,765,329	334,969,218
Cumulative results of operations - earmarked funds (note 8)	446,266	532,283
Cumulative results of operations - other funds	66,779	456,989
Total net position	<u>\$ 299,278,374</u>	<u>\$ 335,958,490</u>
Total liabilities and net position	<u>\$ 354,193,946</u>	<u>\$ 390,322,095</u>

The accompanying notes are an integral part of these statements

INSTITUTE OF MUSEUM AND LIBRARY SERVICES
STATEMENT OF NET COST
For the Years Ending September 30, 2011 and 2010
(in dollars)

Program costs: (note 9 & 10)	<u>2011</u>	<u>2010</u>
Goal 1: Sustaining Heritage, Culture and Knowledge		
Gross Costs	\$ 20,250,271	\$ 20,849,316
Less: Earned Revenue (note 11)	987,182	1,170,225
Net Program Costs	<u>19,263,089</u>	<u>19,679,091</u>
Goal 2: Enhancing Learning and Innovation		
Gross Costs	\$ 210,266,737	\$ 194,621,368
Less: Earned Revenue	-	-
Net Program Costs	<u>210,266,737</u>	<u>194,621,368</u>
Goal 3: Building Professional Capacity		
Gross Costs	\$ 41,367,311	\$ 44,040,696
Less: Earned Revenue	-	-
Net Program Costs	<u>41,367,311</u>	<u>44,040,696</u>
Goal 4: Increase Administrative Capacity for Excellence		
Gross Costs	\$ 1,059,412	\$ 1,919,219
Less: Earned Revenue	-	-
Net Program Costs	<u>1,059,412</u>	<u>1,919,219</u>
Net Cost of Operations	<u>\$ 271,956,549</u>	<u>\$ 260,260,374</u>

The accompanying notes are an integral part of these statements

INSTITUTE OF MUSEUM AND LIBRARY SERVICES
STATEMENT OF CHANGES IN NET POSITION
For the Years Ending September 30, 2011 and 2010
(in dollars)

	<u>2011</u>			<u>2010</u>		
	<u>Earmarked Funds</u>	<u>All Other Funds</u>	<u>Consolidated Total</u>	<u>Earmarked Funds</u>	<u>All Other Funds</u>	<u>Consolidated Total</u>
Cumulative Results Of Operations:						
Beginning Balances	\$ 532,283	\$ 456,989	\$ 989,272	\$ 1,321,598	\$ 1,410,334	\$ 2,731,932
Adjustments:						
Changes in accounting principles	-	-	-	-	(318,606)	(318,606)
Corrections of errors	-	-	-	-	(277,538)	(277,538)
Beginning Balance, as adjusted	<u>532,283</u>	<u>456,989</u>	<u>989,272</u>	<u>1,321,598</u>	<u>814,190</u>	<u>2,135,788</u>
Budgetary Financing Sources:						
Appropriations Used	-	270,848,886	270,848,886	-	258,383,203	258,383,203
Nonexchange Revenue	-	-	-	-	-	-
Donations of Cash and Cash Equivalents	19,699	-	19,699	111,000	-	111,000
Other Financing Sources (Non-Exchange):						
Imputed financing	-	<u>611,737</u>	<u>611,737</u>	-	<u>619,655</u>	<u>619,655</u>
Total Financing Sources	19,699	271,460,623	271,480,322	111,000	259,002,858	259,113,858
Net Cost of Operations	<u>105,716</u>	<u>271,850,833</u>	<u>271,956,549</u>	<u>900,315</u>	<u>259,360,059</u>	<u>260,260,374</u>
Net Change	(86,017)	(390,210)	(476,227)	(789,315)	(357,201)	(1,146,516)
Cumulative Results Of Operations	\$ 446,266	\$ 66,779	\$ 513,045	\$ 532,283	\$ 456,989	\$ 989,272
Unexpended Appropriations:						
Beginning Balance	-	334,969,218	334,969,218	-	310,823,883	310,823,883
Adjustments:						
Changes in accounting principles	-	-	-	-	-	-
Corrections of errors	-	-	-	-	277,538	277,538
Beginning Balance, as adjusted	-	<u>334,969,218</u>	<u>334,969,218</u>	-	<u>311,101,421</u>	<u>311,101,421</u>
Budgetary Financing Sources:						
Appropriations Received	-	237,869,000	237,869,000	-	282,251,000	282,251,000
Appropriations transferred in/out	-	-	-	-	-	-
Other Adjustments	-	(3,224,003)	(3,224,003)	-	-	-
Appropriations Used	-	<u>(270,848,886)</u>	<u>(270,848,886)</u>	-	<u>(258,383,203)</u>	<u>(258,383,203)</u>
Total Budgetary Financing Sources	-	<u>(36,203,889)</u>	<u>(36,203,889)</u>	-	<u>23,867,797</u>	<u>23,867,797</u>
Total Unexpended Appropriations	-	<u>298,765,329</u>	<u>298,765,329</u>	-	<u>334,969,218</u>	<u>334,969,218</u>
Net Position	\$ 446,266	\$ 298,832,108	\$ 299,278,374	\$ 532,283	\$ 335,426,207	\$ 335,958,490

The accompanying notes are an integral part of these statements

INSTITUTE OF MUSEUM AND LIBRARY SERVICES
STATEMENT OF BUDGETARY RESOURCES
For the Years Ending September 30, 2011 and 2010
(in dollars)

	2011	2010
	<u>Budgetary</u>	<u>Budgetary</u>
Budgetary Resources:		
Unobligated balance, brought forward, October 1:	\$ 9,567,348	\$ 9,942,623
Recoveries of prior year unpaid obligations	3,180,347	4,375,726
Budget authority		
Appropriation		
Actual	237,888,699	282,362,000
Anticipated	-	-
Spending authority from offsetting collections:		
Earned		
Collected	1,023,067	1,239,085
Change in receivables from Federal sources	-	-
Change in unfilled customer orders		
Advance received	1,044,649	359,160
Without advance from Federal sources	-	-
Anticipated for rest of year, without advances	-	-
Subtotal	<u>2,067,716</u>	<u>1,598,245</u>
Temporarily not available pursuant to Public law	-	-
Permanently not available		
Cancellation of expired and no-year accounts (-)	-	-
Enacted reductions (-)	(3,224,003)	-
Total Budgetary Resources	<u>\$ 249,480,107</u>	<u>\$ 298,278,594</u>
Status of Budgetary Resources:		
Obligations incurred: (note 12)		
Direct	\$ 239,562,072	\$ 287,001,994
Reimbursable	2,031,831	1,529,385
Exempt from apportionment	116,379	179,867
Subtotal	<u>241,710,282</u>	<u>288,711,246</u>
Unobligated balance:		
Apportioned	2,019,036	772,427
Apportioned for subsequent periods	-	-
Anticipated	-	-
Exempt from apportionment:		
Exempt from apportionment	341,284	437,964
Anticipated (+ or -)	-	-
Subtotal	<u>2,360,320</u>	<u>1,210,391</u>
Unobligated balance not available	5,409,505	8,356,957
Total Status of Budgetary Resources	<u>\$ 249,480,107</u>	<u>\$ 298,278,594</u>
Change in Obligated Balance:		
Obligated balance, net		
Unpaid obligations, brought forward, October 1	\$ 376,188,364	\$ 356,538,285
Less: Uncollected customer payments from		
Federal sources, brought forward, October 1	-	-
Total unpaid obligated balance, net	<u>\$ 376,188,364</u>	<u>\$ 356,538,285</u>
Obligations incurred, net(+/-)	241,710,282	288,711,246
Less: Gross outlays	(274,337,527)	(264,685,441)
Less: Recoveries of prior unpaid obligations, actual	(3,180,347)	(4,375,726)
Change in uncollected customer payments		
from Federal sources (+/-)	-	-
Obligated balance, net, end of period		
Unpaid obligations	340,380,771	376,188,364
Uncollected customer payments from Federal sources (+/-)	-	-
Total, unpaid obligated balance, net, end of period	<u>\$ 340,380,771</u>	<u>\$ 376,188,364</u>
Net Outlays:		
Gross outlays	\$ 274,337,527	\$ 264,685,441
Less: Offsetting collections	(2,067,716)	(1,598,244)
Less: Distributed offsetting receipts	(21,592)	(119,941)
Net outlays	<u>\$ 272,248,219</u>	<u>\$ 262,967,256</u>

The accompanying notes are an integral part of these statements

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2011 and 2010

(in dollars)

Note 1 Significant Accounting Policies

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

A. Basis of Presentation

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

B. Reporting Entity

The Institute is the primary source of federal support for the nation's 123,000 libraries and 17,500 museums. Its mission is to grow and sustain a "Nation of Learners" because life-long learning is essential to a democratic society and individual success. Through its grant making, convenings, research and publications, the Institute empowers museums and libraries nationwide to provide leadership and services to enhance learning in families and communities, sustain cultural heritage, build twenty-first-century skills, and increase civic participation.

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

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

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2011 and 2010

(in dollars)

C. Budgets and Budgetary Accounting

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

D. Basis of Accounting

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

E. Fund Balance with Treasury and Cash

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

In FY2011, the remaining Library State Construction Act program and funds (transferred to IMLS from the Department of Education in FY1998) were officially closed and the monies (\$2.7M) were returned to the Department of Treasury.

F. Revenues and Other Financing Sources

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

G. Non-Entity Assets and Liabilities

Non-entity assets are defined as those assets that are held and managed by IMLS but that are not available to finance IMLS operations.

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2011 and 2010

(in dollars)

H. General Property, Plant and Equipment

IMLS' policy is to depreciate property, plant and equipment over the estimated useful life of the asset using the straight-line depreciation method. IMLS' capitalization threshold is \$5,000 for individual purchases and \$50,000 for aggregate purchases with a minimum \$2,500 per item. Estimated useful lives by asset class are as shown below:

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

I. Use of Estimates

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

IMLS has changed its grant accrual process in FY 2011 in accordance with Federal Financial Accounting Technical Release Number 12, *Accrual Estimates for Grant Programs*, dated August 4, 2010 established by the Federal Accounting Standards Board (FASAB). This change was made in order to better represent the spending patterns of our grantees.

J. Federal employee and veteran benefits

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

K. Commitments and Contingencies

There are no commitments or contingencies that require disclosure.

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2011 and 2010

(in dollars)

Note 2 Fund Balance with Treasury

	2011		
Intragovernmental:	Entity	Non-Entity	Total
Trust Fund	\$ 479,154	\$ -	\$ 479,154
Investments	-	-	-
Annual Appropriated Fund	330,708,915	-	330,708,915
No Year Appropriated Funds	16,962,528	-	16,962,528
Treasury Misc. Receipts	-	-	-
Total	<u>\$ 348,150,597</u>	<u>\$ -</u>	<u>\$ 348,150,597</u>

	2010		
Intragovernmental:	Entity	Non-Entity	Total
Trust Fund	\$ 626,109	\$ -	\$ 626,109
Investments	-	-	-
Annual Appropriated Fund	354,308,416	-	354,308,416
No Year Appropriated Funds	30,821,187	-	30,821,187
Treasury Misc. Receipts	-	-	-
Total	<u>\$ 385,755,712</u>	<u>\$ -</u>	<u>\$ 385,755,712</u>

Status of Fund Balance with Treasury:	2011
Unobligated Balance	
Avaliable	\$ 2,360,320
Unavailable- No Year / Admin	7,391
Unavailable- No Year / Program	1,507,983
Unavailable- Annual Funds	3,894,132
Obligated Balance Not Yet Disbursed	340,380,771
Non-Budgetary FBWT	-
Total	<u>\$ 348,150,597</u>

Status of Fund Balance with Treasury:	2010
Unobligated Balance	
Avaliable	\$ 1,210,391
Unavailable- No Year / Admin	7,704
Unavailable- No Year / Program	6,325,508
Unavailable- Annual Funds	2,023,745
Obligated Balance Not Yet Disbursed	376,188,364
Non-Budgetary FBWT	-
Total	<u>\$ 385,755,712</u>

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2011 and 2010

(in dollars)

Note 3 General Property, Plant & Equipment

Major Class	2011		
	Acquisition Value	Accumulated Amortization	Net Book Value
Leasehold Improvements	\$ 782,914	\$ 508,895	\$ 274,019
Equipment	172,163	156,814	15,349
Asset Under Capital Lease	-	-	-
Total PP&E	<u>\$ 955,077</u>	<u>\$ 665,709</u>	<u>\$ 289,368</u>

Major Class	2010		
	Acquisition Value	Accumulated Amortization	Net Book Value
Leasehold Improvements	\$ 782,914	\$ 430,604	\$ 352,310
Equipment	172,163	128,643	43,520
Asset Under Capital Lease	-	-	-
Total PP&E	<u>\$ 955,077</u>	<u>\$ 559,247</u>	<u>\$ 395,830</u>

The leasehold improvement is the portion of the building lease recorded as a capital lease. The amount capitalized represents the present value of monthly lease payments for the improvements of \$8,120.67 over 120 months, or 10 years. The imputed interest cost used in calculating the net present value of the lease payments was based on OMB Circular A-94, *Discount Rates for Cost Effectiveness, Lease Purchase, and Related Analysis*, which listed Treasury's 2005 nominal interest rate for a 10-year period as 4.6%.

The equipment is furniture with a useful life of 7 years. The acquisition cost of \$23,080.80 over 7 years calculates monthly depreciation to be \$274.77.

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2011 and 2010

(in dollars)

Note 4 Other Assets

	<u>2011</u>	<u>2010</u>
Intragovernmental Advances	\$ -	\$ -
Grant Advances	<u>5,753,981</u>	<u>4,170,553</u>
Total Other Assets	<u>\$ 5,753,981</u>	<u>\$ 4,170,553</u>

Grantees are authorized by OMB to request advances toward grant awards. IMLS policy states that advances are limited to the recipient's immediate cash needs and must be fully disbursed within 30 days. Grantees are required to report on the status of funds paid in advance by submitting a Request for Advance or Reimbursement (SF-270) within 30 days of receipt. The amount of Other Assets represents the total amount of advances requested and paid to grantees as of the year ending September 30, 2011.

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2011 and 2010

(in dollars)

Note 5 Liabilities Not Covered by Budgetary Resources

	<u>2011</u>
Intragovernmental:	
Other Unfunded Employment	\$ 34,136
Total intragovernmental	<u>34,136</u>
Accounts Payable	-
Accrued Unfunded Leave	604,184
Misc. Receipts Payable to Treasury	-
Total liabilities not covered by budgetary resources	<u>638,320</u>
Total liabilities covered by budgetary resources	<u>54,277,252</u>
Total liabilities	<u>\$ 54,915,572</u>

	<u>2010</u>
Intragovernmental:	
Other Unfunded Employment	\$ 33,309
Total intragovernmental	<u>33,309</u>
Accounts Payable	-
Accrued Unfunded Leave	625,503
Misc. Receipts Payable to Treasury	-
Total liabilities not covered by budgetary resources	<u>658,812</u>
Total liabilities covered by budgetary resources	<u>53,704,793</u>
Total liabilities	<u>\$ 54,363,605</u>

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2011 and 2010

(in dollars)

Note 6 Other Liabilities

	2011		
	<u>Non-Current</u>	<u>Current</u>	<u>Total</u>
Intragovernmental:			
Liability for Prepayments	\$ -	\$ 3,689,267	\$ 3,689,267
Employer Contrib. & PR Tax	-	66,521	66,521
Misc Receipts due to Treasury	-	-	-
Total Intragovernmental	<u>\$ -</u>	<u>\$ 3,755,788</u>	<u>\$ 3,755,788</u>
Public:			
Accrued Pay and Benefits	-	164,624	164,624
Capital Leases	314,473	-	314,473
Misc. Receipts due to Treasury	-	-	-
Grant Accrual	-	49,816,389	49,816,389
Total Other Liabilities	<u>\$ 314,473</u>	<u>\$ 53,736,801</u>	<u>\$ 54,051,274</u>

	2010		
	<u>Non-Current</u>	<u>Current</u>	<u>Total</u>
Intragovernmental:			
Liability for Prepayments	\$ -	\$ 2,769,618	\$ 2,769,618
Employer Contrib. & PR Tax	-	114,348	114,348
Misc Receipts due to Treasury	-	-	-
Total Intragovernmental	<u>\$ -</u>	<u>\$ 2,883,966</u>	<u>\$ 2,883,966</u>
Public:			
Accrued Pay and Benefits	-	359,043	359,043
Capital Leases	395,424	-	395,424
Misc. Receipts due to Treasury	-	-	-
Grant Accrual	-	49,955,598	49,955,598
Total Other Liabilities	<u>\$ 395,424</u>	<u>\$ 53,198,607</u>	<u>\$ 53,594,031</u>

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2011 and 2010

(in dollars)

Note 7 Leases

IMLS as Lessee

Capital Leases:

Summary of Assets Under Capital Lease:

Leasehold Improvements	\$ 782,914
Accumulated Amortization	<u>508,895</u>
Net	<u><u>\$ 274,019</u></u>

Equipment - Canon	\$ 45,219
Accumulated Amortization	<u>45,219</u>
Net	<u><u>\$ -</u></u>

IMLS as Lessee

Capital Leases:

Summary of Assets Under Capital Lease:

Leasehold Improvements	\$ 782,914
Accumulated Amortization	<u>430,604</u>
Net	<u><u>\$ 352,310</u></u>

Equipment - Canon	\$ 45,219
Accumulated Amortization	<u>45,219</u>
Net	<u><u>\$ -</u></u>

Description of Lease Arrangements:

In fiscal year 2005, IMLS entered into a 10-year occupancy agreement with the U.S. General Services Administration (GSA) to lease office space. Part of the monthly lease payment for the premises is allocable to leasehold improvements. This portion of the rent has been recorded as a capital lease in an amount representing the present value of all future lease payments. The sum of the monthly payments for leasehold improvements is \$974,480. The present value was calculated using an interest rate of 4.6%, obtained from OMB Circular A-94, *Discount Rates for Cost Effectiveness, Lease Purchase, and Related Analysis*.

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2011 and 2010

(in dollars)

Future Payments Due:

	<u>2011</u>
	Leasehold
	<u>Improvements</u>
<u>Fiscal Year</u>	
2012	\$ 97,448
2013	97,448
2014	97,448
2015	48,724
Total Future Capital Lease Payments	<u>341,068</u>
Less: Imputed Interest	26,595
Net Capital Lease Liability	<u><u>\$ 314,473</u></u>
Lease liabilities covered by budgetary resources	\$ 314,473

	<u>2010</u>
	Leasehold
	<u>Improvements</u>
<u>Fiscal Year</u>	
2011	\$ 97,448
2012	97,448
2013	97,448
2014	97,448
2015	48,724
Total Future Capital Lease Payments	<u>438,516</u>
Less: Imputed Interest	43,092
Net Capital Lease Liability	<u><u>\$ 395,424</u></u>
Lease liabilities covered by budgetary resources	\$ 395,424

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2011 and 2010

(in dollars)

Operating Leases:

IMLS has an occupancy agreement with GSA for office space occupied by the Institute. The term of the lease is from April 1, 2005, through March 31, 2015.

Future Payments Due:

	<u>2011</u>
<u>Fiscal Year</u>	<u>Office Space</u>
2012	\$ 2,108,338
2013	2,134,167
2014	2,166,679
2015	1,093,043
Total Future Lease Payments	<u><u>\$ 7,502,227</u></u>

	<u>2010</u>
<u>Fiscal Year</u>	<u>Office Space</u>
2011	\$ 2,083,262
2012	2,108,338
2013	2,134,167
2014	2,166,679
2015	1,093,043
Total Future Lease Payments	<u><u>\$ 9,585,489</u></u>

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2011 and 2010

(in dollars)

Note 8 Earmarked Funds

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

Balance Sheet as of September 30	2011	2010
ASSETS		
Fund balance with Treasury	\$ 479,154	\$ 626,109
Investment	-	-
Other Assets	-	-
Total Assets	<u>\$ 479,154</u>	<u>\$ 626,109</u>
LIABILITIES and NET POSITION		
Other Liabilities	\$ 32,888	\$ 93,826
Cumulative Results of Operations	<u>446,266</u>	<u>532,283</u>
Total Liabilities and Net Position	<u>\$ 479,154</u>	<u>\$ 626,109</u>
Statement of Net Cost for the Year Ending September 30		
Program Costs	\$ (105,716)	\$ (900,315)
Less Resources	<u>19,699</u>	<u>111,000</u>
Excess of Donations Received Over Cost Incurred	<u>\$ (86,017)</u>	<u>\$ (789,315)</u>
Statement of Changes in Net Postion for the Year Ended September 30		
Net Position Beginning of Period	\$ 532,283	\$ 1,321,598
Change in Net Position	<u>(86,017)</u>	<u>(789,315)</u>
Net Position End of Period	<u>\$ 446,266</u>	<u>\$ 532,283</u>

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2011 and 2010

(in dollars)

Note 9 Intragovernmental Costs and Exchange Revenue by Program/Goal

	<u>2011</u>	<u>2010</u>
<u>Goal 1: Sustaining Heritage, Culture and Knowledge</u>		
Intragovernmental costs	\$ 663,743	\$ 608,755
Public Costs	19,586,528	20,240,561
Less: Intragovernmental earned revenue	987,182	1,170,225
Less: Public earned revenue	-	-
Net Program Cost	<u>\$ 19,263,089</u>	<u>\$ 19,679,091</u>
<u>Goal 2: Enhanced Learning and Innovation</u>		
Intragovernmental costs	\$ 2,190,223	\$ 1,890,632
Public Costs	208,076,514	192,730,736
Less: Intragovernmental earned revenue	-	-
Less: Public earned revenue	-	-
Net Program Cost	<u>\$ 210,266,737</u>	<u>\$ 194,621,368</u>
<u>Goal 3: Building Professional Capacity</u>		
Intragovernmental costs	\$ 753,490	\$ 866,088
Public Costs	40,613,821	43,174,608
Less: Intragovernmental earned revenue	-	-
Less: Public earned revenue	-	-
Net Program Cost	<u>\$ 41,367,311</u>	<u>\$ 44,040,696</u>
<u>Goal 4: Increase Administrative Capacity for Excellence</u>		
Intragovernmental costs	\$ 869,646	\$ 1,776,509
Public Costs	189,766	142,710
Less: Intragovernmental earned revenue	-	-
Less: Public earned revenue	-	-
Net Program Cost	<u>\$ 1,059,412</u>	<u>\$ 1,919,219</u>
Net Cost of Operations	<u>\$ 271,956,549</u>	<u>\$ 260,260,374</u>

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2011 and 2010

(in dollars)

Note 10 Suborganization Program Costs/Program Costs by Segment

	<u>2011</u>				
Program costs:	Library State Grants	Library Other Grants	Museum Grants	Administrative	Total
Goal 1: Sustaining Heritage, Culture and Knowledge					
Gross Costs	\$ -	\$ 6,927,664	\$ 10,752,939	\$ 2,569,668	\$ 20,250,271
Less: Earned Revenue	-	-	987,182	-	987,182
Net Program Costs	-	\$ 6,927,664	\$ 9,765,757	\$ 2,569,668	\$ 19,263,089
Goal 2: Enhancing Learning and Innovation					
Gross Costs	\$ 174,372,103	\$ 7,269,427	\$ 17,927,660	\$ 10,697,547	\$ 210,266,737
Less: Earned Revenue	-	-	-	-	-
Net Program Costs	\$ 174,372,103	\$ 7,269,427	\$ 17,927,660	\$ 10,697,547	\$ 210,266,737
Goal 3: Building Professional Capacity					
Gross Costs	\$ -	\$ 26,673,177	\$ 11,346,223	\$ 3,347,911	\$ 41,367,311
Less: Earned Revenue	-	-	-	-	-
Net Program Costs	-	\$ 26,673,177	\$ 11,346,223	\$ 3,347,911	\$ 41,367,311
Goal 4: Increase Administrative Capacity for Excellence					
Gross Costs	\$ -	\$ -	\$ -	\$ 1,059,412	\$ 1,059,412
Less: Earned Revenue	-	-	-	-	-
Net Program Costs	-	-	-	\$ 1,059,412	\$ 1,059,412
Net Cost of Operations	\$ 174,372,103	\$ 40,870,268	\$ 39,039,640	\$ 17,674,538	\$ 271,956,549

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2011 and 2010

(in dollars)

	<u>2010</u>				
Program costs:	Library State Grants	Library Other Grants	Museum Grants	Administrative	Total
Goal 1: Sustaining Heritage, Culture and Knowledge					
Gross Costs	\$ -	\$ 7,578,673	\$ 10,793,163	\$ 2,477,480	\$ 20,849,316
Less: Earned Revenue	<u>-</u>	<u>-</u>	<u>1,170,225</u>	<u>-</u>	<u>1,170,225</u>
Net Program Costs	<u>-</u>	<u>\$ 7,578,673</u>	<u>\$ 9,622,938</u>	<u>\$ 2,477,480</u>	<u>\$ 19,679,091</u>
Goal 2: Enhancing Learning and Innovation					
Gross Costs	\$ 158,612,879	\$ 9,078,348	\$ 17,523,760	\$ 9,406,381	\$ 194,621,368
Less: Earned Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Program Costs	<u>\$ 158,612,879</u>	<u>\$ 9,078,348</u>	<u>\$ 17,523,760</u>	<u>\$ 9,406,381</u>	<u>\$ 194,621,368</u>
Goal 3: Building Professional Capacity					
Gross Costs	\$ -	\$ 26,499,918	\$ 14,025,608	\$ 3,515,170	\$ 44,040,696
Less: Earned Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Program Costs	<u>\$ -</u>	<u>\$ 26,499,918</u>	<u>\$ 14,025,608</u>	<u>\$ 3,515,170</u>	<u>\$ 44,040,696</u>
Goal 4: Increase Administrative Capacity for Excellence					
Gross Costs	\$ -	\$ -	\$ -	\$ 1,919,219	\$ 1,919,219
Less: Earned Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Program Costs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,919,219</u>	<u>\$ 1,919,219</u>
Net Cost of Operations	<u>\$ 158,612,879</u>	<u>\$ 43,156,939</u>	<u>\$ 41,172,306</u>	<u>\$ 17,318,250</u>	<u>\$ 260,260,374</u>

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2011 and 2010

(in dollars)

Note 11 Exchange Revenue

Exchange Revenue in the amount of \$987,182 is related to an interagency agreement with the Department of Interior, National Park Service to issue and manage Save America's Treasures grants in accordance with appropriation language.

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

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2011 and 2010

(in dollars)

Note 12 Apportionment Categories of Obligations Incurred

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

2011

	No Year	Annual	Total
Obligations Incurred:			
Category A, Direct Obligations	\$ 64,526	\$ 16,736,630	\$ 16,801,156
Category B, Direct Obligations	2,138,036	220,622,880	222,760,916
Category B, Reimbursable	-	2,031,831	2,031,831
Exempt from Apportionment	116,379	-	116,379
Total obligations incurred	<u>\$2,318,941</u>	<u>\$ 239,391,341</u>	<u>\$ 241,710,282</u>

2010

	No Year	Annual	Total
Obligations Incurred:			
Category A, Direct Obligations	\$ (9,752)	\$ 17,155,349	\$ 17,145,597
Category B, Direct Obligations	4,696,919	265,159,478	269,856,397
Category B, Reimbursable	-	1,529,385	1,529,385
Exempt from Apportionment	179,867	-	179,867
Total obligations incurred	<u>\$4,867,034</u>	<u>\$ 283,844,212</u>	<u>\$ 288,711,246</u>

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2011 and 2010

(in dollars)

Note 13 Explanation of Differences between the Statement of Budgetary Resources and the Budget of the United States Government

The President’s Budget, which includes actual numbers for fiscal year 2011, has not yet been published. Actual numbers for fiscal year 2011 will be included in the President’s Budget for fiscal year 2013 on February 6, 2012. The budget can be found at <http://www.whitehouse.gov/omb> when it becomes available.

No material differences exist between the amounts reported in the FY 2010 Statement of Budgetary Resources and the 2010 actual amounts reported in the 2012 Budget of the United States Government published in 2011. The Budget of the United States is displayed to the nearest million, while the Statement of Budgetary Resources is displayed in dollars. The difference noted under Budgetary Resources Available for Obligation is due to a combination of rounding and the IMLS Gift and Donations fund, which is not subject to appropriation.

FY2010 (in Millions of Dollars)	Budgetary Resources Available for Obligation	Obligations Incurred	Distributed Offsetting Receipts	Net Outlays
Budget of the U.S. Government	\$296	\$288	\$0	\$263
IMLS Statement of Budgetary Resources	\$298	\$288	\$0	\$263
Differences	\$2	\$0	\$0	\$0

Note 14 Undelivered orders at the end of the period

	<u>2011</u>	<u>2010</u>
Undelivered orders as of September 30		
Administrative	\$ 2,856,401	\$ 3,123,338
Program	295,637,211	330,485,733
Exempt from Apportionment	<u>104,981</u>	<u>94,319</u>
Total undelivered orders	<u>\$ 298,598,593</u>	<u>\$ 333,703,390</u>

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2011 and 2010

(in dollars)

Note 15 Incidental Custodial Collections

	<u>2011</u>	<u>2010</u>
Income from IMLS projects funded in prior years	\$ <u>1,893</u>	\$ <u>8,941</u>
Disposition of collections:		
Transferred to Treasury (general fund)	\$ <u>1,893</u>	\$ <u>8,941</u>
Net custodial revenue activity	<u>\$ -</u>	<u>\$ -</u>

Note 16 Explanations of Differences between Liabilities Not Covered by Budgetary Resources and Components Requiring or Generating Resources in Future Periods

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

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2011 and 2010

(in dollars)

Note 17 Reconciliation of Net Cost of Operations to Budget

	<u>2011</u>	<u>2010</u>
Resources Used to Finance Activities:		
Budgetary Resources Obligated		
Obligations incurred	\$ 241,710,282	\$ 288,711,246
Less: Spending authority from offsetting collections and recoveries	(5,248,063)	(5,973,971)
Less: Offsetting receipts	<u>-</u>	<u>-</u>
Obligations net of offsetting collections and recoveries	\$ 236,462,219	\$ 282,737,275
Other Resources		
Imputed financing from costs absorbed by others	<u>611,737</u>	<u>619,655</u>
Total resources used to finance activities	\$ 237,073,956	\$ 283,356,930
 Resources Used to Finance Items not Part of the Net Cost of Operations:		
Change in budgetary resources obligated for goods, services and benefits ordered but not yet provided (+/-)	34,796,623	(23,002,689)
Resources that fund expenses recognized in prior periods	-	-
Budgetary offsetting collections and receipts that do not affect net cost of operations:		
Other	-	-
Resources that finance the acquisition of assets	-	-
Adjustments to net obligations resources that do not affect net cost	<u>-</u>	<u>(318,606)</u>
Resources used to finance items not part of the net cost of operations	34,796,623	(23,321,295)
Total resources used to finance items not part of the Net Cost of Operations	<u>\$ 271,870,579</u>	<u>\$ 260,035,635</u>
 Components of the Net Cost of Operations that will not Require or Generate Resources in the Current Period:		
Components Requiring or Generating Resources in Future Periods		
Increase in Annual leave liability	\$ (21,319)	\$ 112,380
Increase in Exchange Revenue	-	-
Other (+/-)	<u>827</u>	<u>4,075</u>
Total components of Net Cost of Operation	\$ (20,492)	\$ 116,455
Components not Requiring or Generating Resources:		
Depreciation and amortization	\$ 106,462	\$ 108,284
Other (+/-)	<u>-</u>	<u>-</u>
Total components of Net Cost of Operations that will not require or generate resources	\$ 106,462	\$ 108,284
Total components of Net Cost of Operations that will not require or generate resources in the current period	<u>\$ 85,970</u>	<u>\$ 224,739</u>
 Net Cost of Operations	 <u>\$ 271,956,549</u>	 <u>\$ 260,260,374</u>

V. Other Accompanying Information

Summary of Financial Statement Audit and Management Assurances (unaudited)

Table 1: Summary of Financial Statement Audit

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

Table 2: Summary of Management Assurances

Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)						
Statement of Assurance	Unqualified					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
None						
<i>Total Material Weaknesses</i>	0	0	0	0	0	0
Effectiveness of Internal Control over Operations (FMFIA § 2)						
Statement of Assurance	Unqualified					

Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
None						
<i>Total Material Weaknesses</i>	0	0	0	0	0	0
Conformance with financial management system requirements (FMFIA § 4)						
Statement of Assurance	Systems conform to financial management systems requirements					
Non-Conformances	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
None						
<i>Total non-conformances</i>	0	0	0	0	0	0
Compliance with Federal Financial Management Improvement Act (FFMIA)						
	Agency			Auditor		
Overall Substantial Compliance	Not applicable*			Not applicable*		
1. System Requirements	Not applicable*					
2. Accounting Standards	Not applicable*					
3. USSGL at Transaction Level	Not applicable*					

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

Improper Payments Information Act (IPIA)

Risk Assessment and Systematic Sampling Method

There are only four (4) grant programs within IMLS where the entire annual budget authority exceeds \$10 million. These are: Grants to States, Laura Bush 21st Century Librarians, Library National Leadership Grants, and Museums for America. Risk factors that were included in the review of these programs were:

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

No grant programs listed above are considered susceptible to significant erroneous payments or qualify as “risk susceptible” based on OMB guidance thresholds. The Grants to States program grants are awarded yearly to each of the 50 states and US territories. The recipient of these grants is the State Library Agency of each state or territory, and does not change from year to year. The other three (3) programs follow the IMLS discretionary grant process and each institution is pre-determined for eligibility (as are applicants to all of our other grant programs).

To identify payments that were erroneously paid, a review of all FY 2011 grant refunds was performed. There were overpayments totaling approximately \$817,000, or .30% of the Agency’s total program outlays of \$270M as of September 30, 2011. Additionally, as of September 30, 2011 IMLS collected all of this money back.

In FY 2010 there were overpayments totaling approximately \$547,000, or .2% of the Agency’s total program outlays of \$247M. As of September 30, 2010 IMLS had collected all of this money back.

A review of administrative expenses in FY 2011 and FY 2010 identified no significant improper payments. In addition, there were no underpayments made in the review of FY 2011 and FY 2010 total outlays.

Corrective Actions

While the Agency has determined that no programs are susceptible to significant erroneous payments, we have continued to strengthen our preventative controls prior to grant payments being disbursed. If a payment was paid in error and deemed improper, procedures are in place for IMLS to collect the monies back in a timely fashion. 100% of reimbursement or advance requests are reviewed by IMLS before a disbursement is made.

Improper Payment Reporting Tables

Table 1
Improper Payment Reduction Outlook

Program or Activity	PY Outlays	PY IP %	PY IP \$	CY Outlays	CY IP %	CY IP \$
Grants	\$247M	0.2%	\$517K	\$270M	.3%	\$817K
Contracts	\$2.0M	0.0%	\$0	\$2.0M	0.0%	\$0

Program or Activity	CY+1 Est. Outlays	CY+1 IP %	CY+1 IP \$	CY+2 Est. Outlays	CY+2 IP %	CY+2 IP \$	CY+3 Est. Outlays	CY+3 IP %	CY+3 IP \$
Grants	\$260M	0.1%	\$260K	\$250M	0.1%	\$250K	\$240M	0.1%	\$240K
Contracts	\$2.0M	0.0%	\$0	\$1.8M	0.0%	\$0	\$1.7M	0.0%	\$0

Table 2
Overpayments Recaptured Outside of Payment Recapture Audits

Agency Source	Amount Identified (CY)	Amount Recovered (CY)	Amount Identified (PY)	Amount Recovered (PY)	Cumulative Amount Identified (CY+PYs)	Cumulative Amount Recovered (CY+PYs)
Post -Payment Reviews	\$817K	\$817K	\$517K	\$517K	\$1.334M	\$1.334M