



Audit Report of the
Nebraska State Historical Society
July 1, 2001 through June 30, 2002

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Report Highlights

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The Nebraska State Historical Society is the designated repository for public records, documents, and historical information. The responsibilities of the Society include administration of the Museum of Nebraska History and seven historic sites; provision of a Research Library and the State Archives; and administration of the State's Historic Preservation, Hall of Fame, Highway Salvage, and Historical Marker programs. The Legislature changed the status of the Society from a State institution to a State agency in 1994.

Seven State historic sites are administered by the Society: Fort Robinson Museum, Crawford; George W. Norris House, McCook; Neligh Mills, Neligh; Thomas P. Kennard House, Nebraska Statehood Memorial, Lincoln; John G. Neihardt Center, Bancroft; Willa Cather Historical Center, Red Cloud; and Chimney Rock Visitor Center, Bayard.

The Historical Society has 2,829 members. The Board of Trustees consists of 15 members. Twelve members are elected by the Historical Society membership and three members, one from each congressional district, are appointed by the Governor.

Our report included three Comments and Recommendations, which are summarized below:

Documentation for Employees Working on Federal Award: A semiannual certification for employees working on the Historic Preservation grant was not prepared, and documentation was not available to support the number of hours employees worked on the American Bounty Grant. We recommend the Society implement procedures to ensure compliance with Office of Management and Budget Circular A-87, including documentation of actual hours worked on a federal award for employees working part time on a federal award and semiannual certifications for employees working solely on a federal award.

Lease Proceeds Deposited into Private Funds: Neb. Rev. Stat. Section 84-710 established the Society's Private Funds to include proceeds of exhibitions, membership contributions, and receipts from miscellaneous sales. The Society inappropriately deposited approximately \$330,000 in proceeds from a lease-purchase agreement into the Private Funds. The Society's use of outside counsel relating to this transaction was not approved by the Attorney General or the Governor as required by Neb. Rev. Stat. Section 84-205. We recommend the Society comply with and maintain documentation to support its compliance with Sections 84-710 and 84-205.

Approval of Office Space Lease: The Society entered into a lease agreement for office space outside of the State Capitol without the written approval of the Director of the Department of Administrative Services as required by Neb. Rev. Stat. Section 81-1108.22. We recommend the Society comply with and maintain documentation to support compliance with Section 81-1108.22.

We have detailed our findings, and responses, in the Comments and Recommendations section of the report, which can be found at www.auditors.state.ne.us