

**§ 4403. Funding**

There is authorized to be appropriated to the Secretary of State \$15,000,000 for the fiscal year 2003 for grants to The Asia Foundation pursuant to this subchapter.

(Pub. L. 98-164, title IV, § 404, Nov. 22, 1983, 97 Stat. 1039; Pub. L. 99-93, title IV, § 401, Aug. 16, 1985, 99 Stat. 437; Pub. L. 100-204, title VI, § 601, Dec. 22, 1987, 101 Stat. 1383; Pub. L. 101-246, title V, § 501, Feb. 16, 1990, 104 Stat. 73; Pub. L. 105-277, div. G, subdiv. B, title XXI, § 2103, Oct. 21, 1998, 112 Stat. 2681-803; Pub. L. 106-113, div. B, § 1000(a)(7) [div. A, title I, § 105], Nov. 29, 1999, 113 Stat. 1536, 1501A-414; Pub. L. 107-228, div. A, title I, § 116, Sept. 30, 2002, 116 Stat. 1360.)

**Editorial Notes****AMENDMENTS**

2002—Pub. L. 107-228 amended section generally. Prior to amendment, section read as follows: “There are authorized to be appropriated to the Secretary of State \$15,000,000 for each of the fiscal years 2000 and 2001 for grants to The Asia Foundation pursuant to this subchapter.”

1999—Pub. L. 106-113 amended section generally. Prior to amendment, section read as follows: “There are authorized to be appropriated to the Secretary of State \$10,000,000 for each of the fiscal years 1998 and 1999 for grants to The Asia Foundation pursuant to this subchapter.”

1998—Pub. L. 105-277 amended section generally. Prior to amendment, section read as follows:

“(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of State \$13,900,000 for the fiscal year 1990 and \$18,000,000 for the fiscal year 1991 for grants to The Asia Foundation pursuant to this subchapter.

“(b) ALLOCATION OF FUNDS.—Of amounts authorized to be appropriated under subsection (a) of this section, \$1,324,000 for the fiscal year 1990 and \$1,324,000 for the fiscal year 1991 shall be available only for the expansion of programs and services (including the establishment of a field office) for Oceania, comprised of Polynesia, Micronesia, and Melanesia.”

1990—Pub. L. 101-246 amended section generally. Prior to amendment, section read as follows: “There is authorized to be appropriated to the Secretary of State \$13,700,000 for the fiscal year 1988 and \$15,000,000 for the fiscal year 1989 for grants to the Asia Foundation pursuant to this subchapter.”

1987—Pub. L. 100-204 amended section generally. Prior to amendment, section read as follows: “There are authorized to be appropriated to the Secretary of State \$10,500,000 for each of the fiscal years 1986 and 1987 for grants to The Asia Foundation pursuant to this subchapter.”

1985—Pub. L. 99-93 amended section generally, substituting “\$10,500,000 for each of the fiscal years 1986 and 1987” for “\$5,000,000 for the fiscal year 1983, \$10,000,000 for the fiscal year 1984, and \$10,000,000 for the fiscal year 1985”.

SUBCHAPTER II—NATIONAL ENDOWMENT  
FOR DEMOCRACY

**§ 4411. Findings; statement of purposes**

(a) The Congress finds that there has been established in the District of Columbia a private, nonprofit corporation known as the National Endowment for Democracy (hereafter in this subchapter referred to as the “Endowment”) which is not an agency or establishment of the United States Government.

(b) The purposes of the Endowment, as set forth in its articles of incorporation, are—

(1) to encourage free and democratic institutions throughout the world through private sector initiatives, including activities which promote the individual rights and freedoms (including internationally recognized human rights) which are essential to the functioning of democratic institutions;

(2) to facilitate exchanges between United States private sector groups (especially the two major American political parties, labor, and business) and democratic groups abroad;

(3) to promote United States nongovernmental participation (especially through the two major American political parties, labor, business, and other private sector groups) in democratic training programs and democratic institution-building abroad;

(4) to strengthen democratic electoral processes abroad through timely measures in cooperation with indigenous democratic forces;

(5) to support the participation of the two major American political parties, labor, business, and other United States private sector groups in fostering cooperation with those abroad dedicated to the cultural values, institutions, and organizations of democratic pluralism; and

(6) to encourage the establishment and growth of democratic development in a manner consistent both with the broad concerns of United States national interests and with the specific requirements of the democratic groups in other countries which are aided by programs funded by the Endowment.

(Pub. L. 98-164, title V, § 502, Nov. 22, 1983, 97 Stat. 1039.)

**Statutory Notes and Related Subsidiaries****SHORT TITLE**

Pub. L. 98-164, title V, § 501, Nov. 22, 1983, 97 Stat. 1039, provided that: “This title [enacting this subchapter] may be cited as the ‘National Endowment for Democracy Act.’”

**§ 4412. Grants to the Endowment****(a) Authorization; funding; grant agreement**

The Director of the United States Information Agency shall make an annual grant to the Endowment to enable the Endowment to carry out its purposes as specified in section 4411(b) of this title. Such grants shall be made with funds specifically appropriated for grants to the Endowment or with funds appropriated to the Agency for the “Salaries and Expenses” account. Such grants shall be made pursuant to a grant agreement between the Director and the Endowment which requires that grant funds will only be used for activities which the Board of Directors of the Endowment determines are consistent with the purposes described in section 4411(b) of this title, that the Endowment will allocate funds in accordance with subsection (e) of this section, and that the Endowment will otherwise comply with the requirements of this subchapter. The grant agreement may not require the Endowment to comply with requirements other than those specified in this subchapter.

**(b) Implementation of purposes**

Funds so granted may be used by the Endowment to carry out the purposes described in sec-

tion 4411(b) of this title, and otherwise applicable limitations on the purposes for which funds appropriated to the United States Information Agency may be used shall not apply to funds granted to the Endowment.

**(c) Status of Endowment**

Nothing in this subchapter shall be construed to make the Endowment an agency or establishment of the United States Government or to make the members of the Board of Directors of the Endowment, or the officers or employees of the Endowment, officers or employees of the United States.

**(d) Oversight procedures applicable**

The Endowment and its grantees shall be subject to the appropriate oversight procedures of the Congress.

**(e) Amounts to Free Trade Union Institute and National Chamber Foundation**

Of the amounts made available to the Endowment for each of the fiscal years 1984 and 1985 to carry out programs in furtherance of the purposes of this Act—

(1) not less than \$13,800,000 shall be for the Free Trade Union Institute; and

(2) not less than \$2,500,000 shall be to support private enterprise development programs of the National Chamber Foundation.

**(f) Independent labor unions**

Nothing in this subchapter shall preclude the Endowment from making grants to independent labor unions.

(Pub. L. 98-164, title V, § 503, Nov. 22, 1983, 97 Stat. 1040; Pub. L. 100-204, title II, § 212, Dec. 22, 1987, 101 Stat. 1376.)

**Editorial Notes**

REFERENCES IN TEXT

This Act, referred to in subsec. (e), is Pub. L. 98-164, Nov. 22, 1983, 97 Stat. 1017. For complete classification of this Act to the Code, see Tables.

AMENDMENTS

1987—Subsec. (f). Pub. L. 100-204 added subsec. (f).

**Statutory Notes and Related Subsidiaries**

TRANSFER OF FUNCTIONS

United States Information Agency (other than Broadcasting Board of Governors and International Broadcasting Bureau) abolished and functions transferred to Secretary of State, see sections 6531 and 6532 of this title.

**§ 4413. Eligibility of the Endowment for grants**

**(a) Compliance with statutory requirements**

Grants may be made to the Endowment under this subchapter only if the Endowment agrees to comply with the requirements specified in this section and elsewhere in this subchapter.

**(b) Funding for private sector groups and covered programs only**

(1) The Endowment may only provide funding for programs of private sector groups and may not carry out programs directly.

(2) The Endowment may provide funding only for programs which are consistent with the purposes set forth in section 4411(b) of this title.

**(c) Compensation, etc., for officers and employees of Endowment**

(1) Officers of the Endowment may not receive any salary or other compensation from any source, other than the Endowment, for services rendered during the period of their employment by the Endowment.

(2) If an individual who is an officer or employee of the United States Government serves as a member of the Board of Directors or as an officer or employee of the Endowment, that individual may not receive any compensation or travel expenses in connection with services performed for the Endowment.

**(d) Prohibitions respecting financial matters**

(1) The Endowment shall not issue any shares of stock or declare or pay any dividends.

(2) No part of the assets of the Endowment shall inure to the benefit of any member of the Board, any officer or employee of the Endowment, or any other individual, except as salary or reasonable compensation for services.

**(e) Audit of accounts; reporting requirements**

(1) The accounts of the Endowment shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audits shall be conducted at the place or places where the accounts of the Endowment are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Endowment and necessary to facilitate the audits shall be made available to the person or persons conducting the audits; and full facilities for verifying transactions with any assets held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

(2) The report of each such independent audit shall be included in the annual report required by subsection (h). The audit report shall set forth the scope of the audit and include such statements as are necessary to present fairly the Endowment's assets and liabilities, surplus or deficit, with an analysis of the changes therein during the year, supplemented in reasonable detail by a statement of the Endowment's income and expenses during the year, and a statement of the application of funds, together with the independent auditor's opinion of those statements.

**(f) Audit of financial transactions; reporting requirements**

(1) The financial transactions of the Endowment for each fiscal year may be audited by the Government Accountability Office in accordance with such principles and procedures and under such rules and regulations as may be prescribed by the Comptroller General of the United States. Any such audit shall be conducted at the place or places where accounts of the Endowment are normally kept. The representatives of the Government Accountability Office shall have access to all books, accounts, records, reports, files, and all other papers, things, or property belonging to or in use by the