

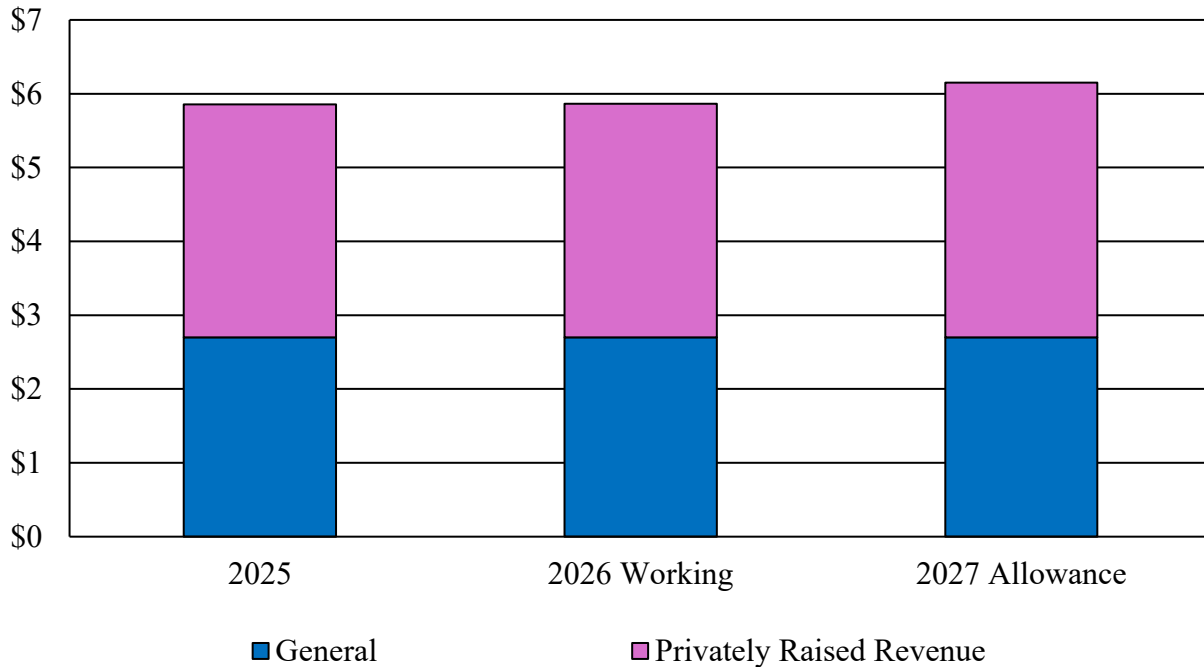
S50B01
Maryland African American Museum Corporation

Program Description

The Maryland African American Museum Corporation (MAAMC) was created in 1998 to plan, develop, and manage the Reginald F. Lewis Museum of Maryland African American History and Culture in Baltimore City. MAAMC’s mission is to be a resource regarding the lives of African American Marylanders by collecting, preserving, interpreting, documenting, and exhibiting contributions that represent their history. The corporation is a public instrumentality and an independent unit of the Executive Branch. The board of directors manages the corporation’s affairs.

Operating Budget Summary

**Fiscal 2027 Budget Increases \$284,955, or 4.9%, to \$6.2 Million
(\$ in Millions)**



- The State grant provided to MAAMC is level-funded at \$2.7 million in general funds in fiscal 2027. The grant accounts for 43.9% of MAAMC’s fiscal 2027 budget. Privately raised revenue is projected to increase by \$284,955 (9%) in fiscal 2027 compared to fiscal 2026.

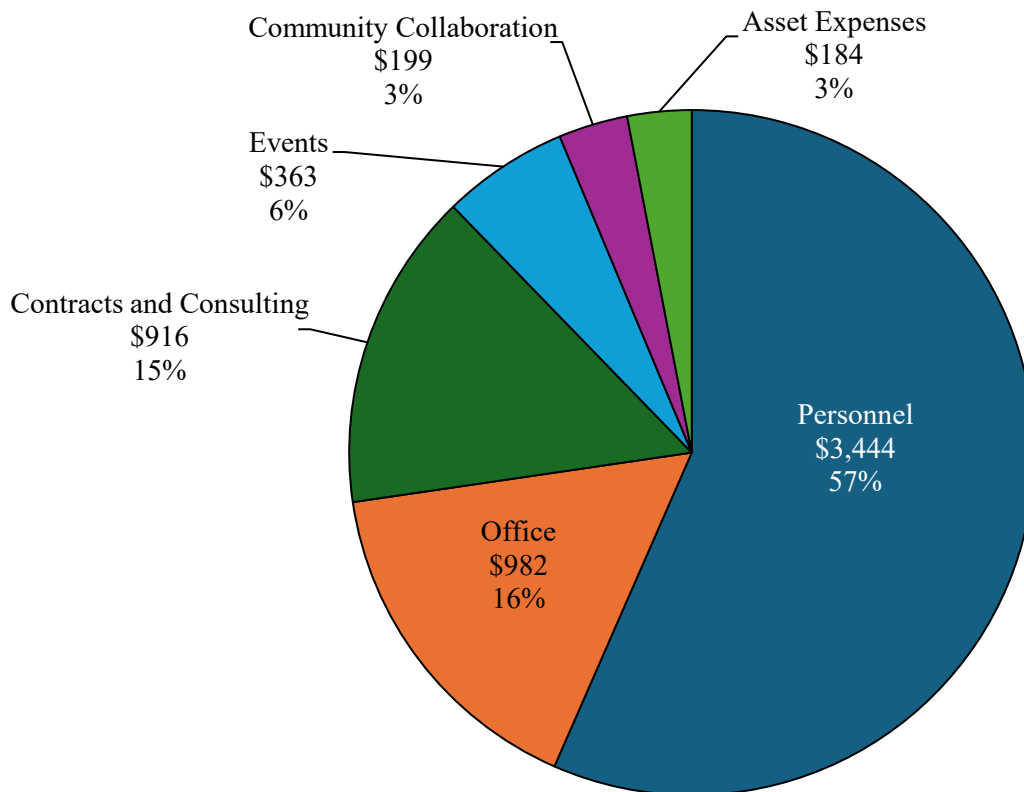
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Fiscal 2025

The total expenditures for MAAMC in fiscal 2025 were \$6.1 million, which includes both the State grant and privately raised revenue. As shown in **Exhibit 1**, \$3.4 million, or 57%, of spending in fiscal 2025 supported personnel. Another \$981,625, or 16%, funded the operations of MAAMC, including office occupancy and technology equipment. Additionally, \$916,407, or 15% of spending, funded contracts and consulting expenses, which include exhibit fabrication as well as museum security.

Exhibit 1
Agency Spending by Category
Fiscal 2025
(\$ in Thousands)



Source: Maryland African American Museum Corporation

Note: Asset expenses include lease, interest, investment, depreciation, and finance costs.

Proposed Budget Change

State support for MAAMC is budgeted as a general fund grant. The fiscal 2027 allowance for the corporation is level-funded at \$2.7 million. A memorandum of understanding between the museum and the Department of Budget and Management includes a provision that the museum will match the State grant with its own earnings. As shown in **Exhibit 2**, MAAMC’s privately raised revenue exceeded the required match in fiscal 2023 through 2025. MAAMC estimates that it will exceed the match again in fiscal 2026 and 2027. In fiscal 2025, MAAMC’s total expenditures exceeded revenue by \$307,474. Fiscal 2026 is estimated to have relatively even revenues and expenditures; this is largely due to a decrease in expenditures of \$296,829, primarily in contractual services. While MAAMC anticipates that privately raised revenue will increase in fiscal 2027, it is also projecting an even greater increase in expenditures, primarily due to contractual expenses, which increase 22.9% compared to fiscal 2026 (approximately 7.2% higher than fiscal 2025 expenses). MAAMC has attributed fiscal 2026’s lower contract costs to fewer temporary exhibit openings as well as permanent exhibit openings where expenses have been capitalized. However, exhibit-related expenses are expected to increase again in fiscal 2027. After running a deficit in fiscal 2025, MAAMC projects another deficit of \$201,016 in fiscal 2027. **MAAMC should discuss reasons for the fiscal 2025 deficit and any plans to reduce the projected deficit in fiscal 2027.**

Exhibit 2
Expenditures and Revenues
Fiscal 2023-2027 Estimated
(\$ in Thousands)

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Estimated</u> <u>2026</u>	<u>Estimated</u> <u>2027</u>	<u>Change</u> <u>2026-2027</u>	<u>% Change</u> <u>2026-2027</u>
Salaries and Wages	\$2,579	\$2,692	\$3,322	\$3,297	\$3,412	\$115	3.5%
Technical and Special Fees	120	119	122	128	128	1	0.4%
Fuel and Utilities	268	361	420	436	475	39	9.0%
Contractual Services	1,013	1,299	1,465	1,278	1,571	293	22.9%
Other Operating Costs	649	839	832	726	765	39	5.4%
Total Expenses	\$4,629	\$5,311	\$6,161	\$5,865	\$6,351	\$486	8.3%
General Funds	\$2,000	\$2,700	\$2,700	\$2,700	\$2,700	\$0	0.0%
Privately Raised Revenue	2,459	2,872	3,154	3,165	3,450	285	9.0%
Total Revenue	\$4,459	\$5,572	\$5,854	\$5,865	\$6,150	\$285	4.9%

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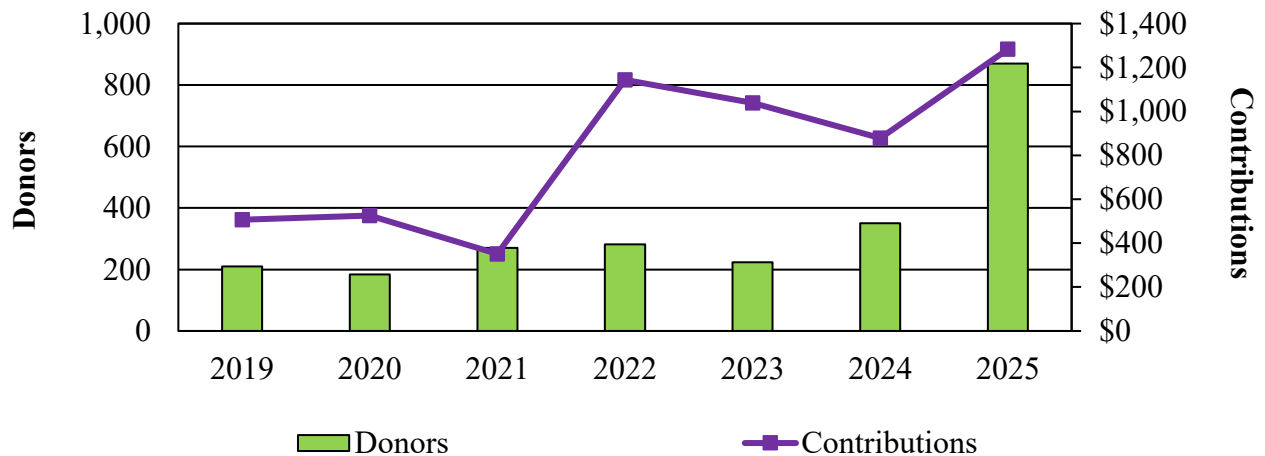
	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Estimated 2026</u>	<u>Estimated 2027</u>	<u>Change 2026-2027</u>	<u>% Change 2026-2027</u>
Change in Net Assets	-\$170	\$262	-\$307	\$1	-\$201	-\$202	

Note: Numbers may not sum due to rounding.

Source: Governor’s Budget Books; Department of Budget and Management

As shown in **Exhibit 3**, the number of donors increased substantially in fiscal 2025 compared to fiscal 2024, from 350 donors to 870. Contributions increased by \$404,212 (approximately 46%) from fiscal 2024 to 2025, to \$1.3 million. The museum’s contributions come from cash as well as in-kind support. MAAMC credits the large increase in donors and contributions to the Lewis Museum’s twentieth anniversary with various celebrations and events throughout the year. More than \$500,000 of contributions in fiscal 2025 came from the museum’s twentieth anniversary gala in May 2025. In addition, the museum collected \$40,214 in membership dues from 654 donors in fiscal 2025.

Exhibit 3
Donors and Dollar Value of Charitable Contributions
Fiscal 2019-2025
(\$ in Thousands)



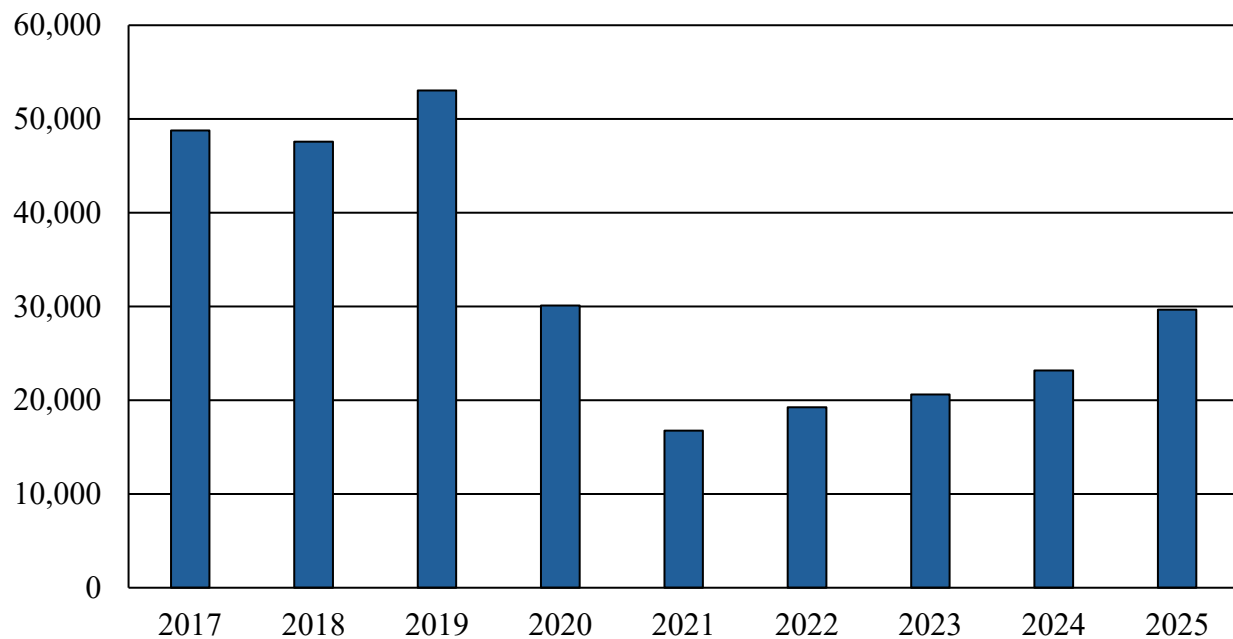
Source: Maryland African American Museum Corporation

Key Observations

1. In-person and Virtual Attendance

As shown in **Exhibit 4**, total in-person and virtual attendance at the museum increased by 27.9%, from 23,178 visitors in fiscal 2024 to 29,648 visitors in fiscal 2025. This increase continued a trend upward after attendance declined sharply between fiscal 2019 and 2021, from 53,041 to 16,755 visitors, a decline MAAMC attributes to the COVID-19 pandemic and associated closures. Despite this increase, attendance at the museum is still approximately 44% below the 53,041 visitors in fiscal 2019. To increase attendance, MAAMC conducts outreach to schools to bring in student visitors and to businesses to host events. In fiscal 2025, MAAMC hosted three new exhibit openings, four festival days, and the Lewis museum’s twentieth anniversary gala. The museum had 20,554 general admissions in fiscal 2025, while the remaining 9,094 visitors were through in-person programming, including 3,445 students. The museum did not report any virtual programming in fiscal 2025.

Exhibit 4
In-Person and Virtual Attendance
Fiscal 2017-2025



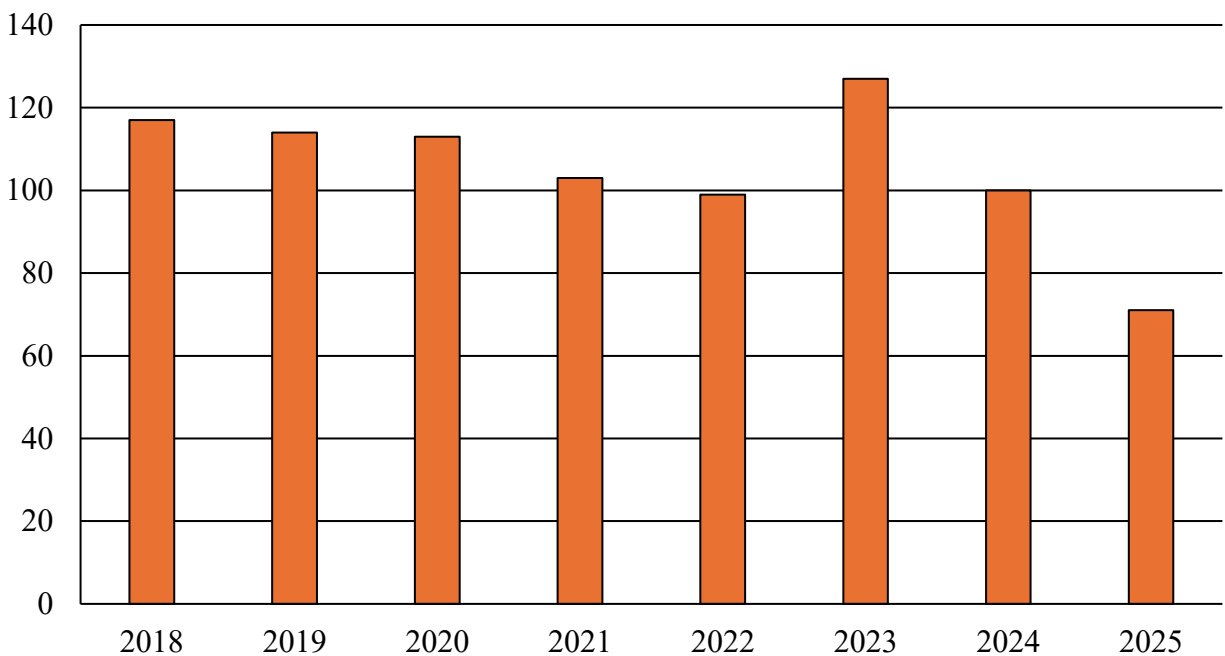
Note: Virtual attendance is included in the attendance count beginning in fiscal 2020.

Source: Maryland African American Museum Corporation

2. Volunteer Staff Volume

Volunteers are an essential part of operations at the museum. They also express the value of the museum to Baltimore City and the State as well as an effort to maximize use of the State’s general fund grant. These volunteers include flexible volunteers and regular volunteer docents who lead guided tours through the museum. As shown in **Exhibit 5**, the total number of volunteers and docents decreased from 100 in fiscal 2024 to 71 in fiscal 2025, continuing a long-term trend downward with the exception of fiscal 2023. MAAMC reported having 10 docents in fiscal 2025 and 61 volunteers. MAAMC attributes the decrease in volunteers to a decline in corporate volunteer groups. MAAMC reports that 5 of the current docents are staff members providing tours, while the other 5 are external.

Exhibit 5
Volunteers and Docents
Fiscal 2018-2025



Source: Maryland African American Museum Corporation

3. Audit Overview of MAAMC

In August 2025, the Office of Legislative Audits (OLA) published a fiscal compliance audit of MAAMC, covering April 1, 2021, to January 30, 2025. OLA identified the following eight findings that highlight challenges in accountability and controls as well as inadequate policies and procedures:

- ***Finding 1 – Art and Artifact Controls:*** Out of approximately 12,200 items in MAAMC’s collections as of December 2024, just over 75% (9,200) had not been assigned a value for insurance purposes. The State Treasurer’s Office, which insures MAAMC’s collections, has advised that MAAMC may not be fully reimbursed for items without an assigned value. Additional issues under this finding include lack of completed inventories and separation of duties for the employee conducting inventories and maintaining their records. Similar findings were reported in preceding audits, including MAAMC’s last audit released in November 2021. OLA recommended assigning and recording values for all items, performing independent physical inventories every three years, and ensuring that employees who maintain the detailed records do not have physical access to the collections.

Although MAAMC had previously indicated they would implement OLA’s recommendations by June 30, 2022, MAAMC advised that they had not been implemented due to staff turnover and because MAAMC was transitioning to a new system to maintain its artifacts. MAAMC stated that their new collections management system was implemented in November 2024, and interns had been hired to assign fair market values to their existing inventory. While MAAMC agreed with the final recommendation for separation of duties, they stated that hiring an additional employee to work with collections is not feasible at this time due to financial constraints.

- ***Finding 2 – Employee Misconduct:*** During OLA’s audit, MAAMC disclosed that a former Special Events employee had directed a customer to pay the employee rather than MAAMC’s finance department for parking costs. MAAMC’s internal investigation did not identify any additional questionable activity by the employee, but OLA identified eight instances not found by MAAMC in which customers were directed to pay the former employee directly for parking, totaling \$5,900. OLA was not able to determine if cash payments had been remitted to MAAMC by the former employee and recommended MAAMC conduct sufficient investigations when it becomes aware of questionable employee activity and consult with the Office of the Attorney General (OAG) and Governor’s Chief Legal Counsel.

MAAMC agreed with the recommendations and the potential theft was referred to the criminal division of OAG for further investigation.

- ***Finding 3 – Special Events Accountability:*** The audit noted that lack of accountability and separated duties contributed to Finding 2, and recommendations include that MAAMC

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separate duties over Special Events activities and ensure Special Events records are comprehensive.

MAAMC agreed with OLA's recommendations and has increased staff in the Special Events department to better separate duties and moved parking tickets to the safe with only the staff accountant having access. All Special Events-related accounting has been moved to MAAMC's main accounting system.

- ***Finding 4 – Corporate Purchasing Card (CPC) Controls:*** The audit noted lapses in oversight of CPCs, including inadequate documentation, missing supervisory reviews, and questionable charges. OLA identified 11 questionable payments by two cardholders. Recommendations include reviews of all CPC payments and consulting with OAG before taking any actions related to the questionable payments identified.

MAAMC acknowledged the issues and agreed to the recommendations. MAAMC reminded supervisors of the importance of detailed CPC reviews and employees suspected of misusing the CPC are no longer working at the Lewis Museum. This was also referred to the criminal division of OAG.

- ***Finding 5 – CPC Procurement:*** The audit noted that MAAMC did not consider participating in the statewide CPC program and did not establish sufficient policies and procedures over its independently procured CPC program. While it was later determined that MAAMC is not eligible to participate in the statewide CPC program, OLA recommended that MAAMC consider utilizing the administrator contract to obtain enhanced capabilities to monitor card activity, require employees to sign cardholder agreements, and incorporate the use of more detailed data as part of monthly supervisory review.

MAAMC agreed with OLA's recommendations, noting the reasons why they have chosen their current CPC administrator. Although MAAMC has not found a provider with the detailed reports outlined by OLA, they committed to continuing research.

- ***Finding 6 – Cash Receipt Accountability:*** The audit noted that MAAMC did not have adequate accountability over cash receipts. Namely, MAAMC did not restrictively endorse and record cash receipts immediately upon receipt, cash receipts were not always deposited timely, and MAAMC did not perform independent verifications of recorded cash receipts to deposits. OLA recommended establishing comprehensive policies and procedures to ensure that cash receipts are recorded and restrictively endorsed upon receipt and deposited timely, and that verification of cash receipts to deposit is performed and documented by an employee independent of the cash receipts process.

MAAMC agreed with OLA's recommendations and began restrictively endorsing all checks upon receipt in February 2025. All cash receipts will be deposited within one week, and the director of finance will reconcile receipt scans to deposits on a monthly basis.

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- ***Finding 7 – Disbursement and Check Controls:*** The audit found that MAAMC did not establish sufficient controls or separation of duties over disbursements, maintained an inventory of pre-signed checks, and did not adequately secure blank check stock. OLA recommended that MAAMC ensure cash disbursement processes are adequately separated and supervisory reviews are documented. OLA also recommended that checks be adequately secured, and MAAMC refrain from maintaining a supply of presigned checks.

MAAMC agreed with OLA’s recommendations, noting that the cash disbursement process is adequately separated but reviews of reconciliation reports were not documented. All presigned checks have been destroyed, and unsigned checks have been moved and secured.

- ***Finding 8 – Procurement Policy Inadequacy:*** MAAMC’s procurement policy did not require public solicitation of contracts and the publishing of the related awards. OLA recommended that MAAMC require public solicitation and the publishing of contract awards.

MAAMC agreed with OLA’s recommendation and noted that they are looking into using Maryland’s eMaryland Marketplace Advantage (eMMA) system to facilitate procurement. In December 2025, MAAMC stated that they are moving forward with using the eMMA system after approval from MAAMC’s board of directors.

OLA Special Review

A special review of State units exempt from State procurement laws and regulations published by OLA in November 2025 found that as of March 2025, MAAMC’s procurement policy did not include advertising requirements or procurement goals, including minority business enterprise goals. Additionally, OLA found that MAAMC did not always comply with its written procurement policy by obtaining written proposals and proper management approvals. In response to this review, MAAMC has updated their accounting manual to add advertising requirements and procurement goals to their procurement policy. In addition, MAAMC has updated the manual with a new process for procurement that requires all contracts go through a contract officer and be approved by the attorney general’s office. These updates are scheduled to be voted on by MAAMC’s board in March 2026.

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

**Appendix 1
Audit Findings**

Audit Period for Last Audit	April 1, 2021-January 30, 2025
Issue Date	August 2025
Number of Findings	8
Number of Repeat Findings	1
% of Repeat Findings	12.5%
Rating: (if applicable)	n/a

Finding 1: MAAMC did not establish adequate accountability and controls over its art and historical artifacts.

Finding 2: MAAMC did not take sufficient action when it identified questionable activity by one employee.

Finding 3: MAAMC did not establish sufficient accountability over its Special Events activities.

Finding 4: MAAMC did not ensure corporate purchasing card (CPC) transactions were adequately supported resulting in the failure to identify certain questionable CPC payments made by two MAAMC cardholders.

Finding 5: MAAMC did not consider participating in the Statewide CPC program and did not establish sufficient policies and procedures over its independently procured CPC program.

Finding 6: MAAMC did not establish adequate accountability and control over cash receipts.

Finding 7: MAAMC did not establish sufficient controls over disbursements, maintained an inventory of presigned checks, and did not adequately secure blank check stock.

Finding 8: MAAMC’s procurement policy did not require public solicitation of contracts and the publishing of the related awards.

*Bold denotes item repeated in full or part from preceding audit report.

Appendix 2
Object/Fund Difference Report
Maryland African American Museum Corporation

<u>Object/Fund</u>	<u>FY 25</u> <u>Actual</u>	<u>FY 26</u> <u>Work Approp.</u>	<u>FY 27</u> <u>Allowance</u>	<u>FY 26 - 27</u> <u>\$ Change</u>	<u>% Change</u>
Objects					
12 Grants, Subsidies, and Contributions	\$2,700,000	\$2,700,000	\$2,700,000	\$0	0.0%
Total Objects	\$2,700,000	\$2,700,000	\$2,700,000	\$0	0.0%
Funds					
01 General Funds	\$2,700,000	\$2,700,000	\$2,700,000	\$0	0.0%
Total Funds	\$2,700,000	\$2,700,000	\$2,700,000	\$0	0.0%