

The Vietnam Education Foundation

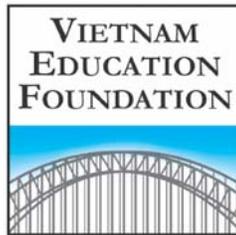
2015 Annual Report

Reporting Period: October 1, 2014 - September 30, 2015

To: The President of the United States

From: The Board of Directors, Vietnam Education Foundation

Bringing the United States and Vietnam Closer Together through Educational Exchange



2111 Wilson Boulevard, Suite 700, Arlington, VA 22201 • www.vef.gov • Phone 703-351-5053

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April 15, 2016
The Honorable President Barack Obama
The White House
1600 Pennsylvania Ave.
Washington, DC 20500

Dear Mr. President:

On behalf of the Vietnam Education Foundation Board of Directors, I am pleased to present to you the *2015 Annual Report* of the Vietnam Education Foundation covering the reporting period from October 1, 2014, to September 30, 2015.

The Vietnam Education Foundation (VEF) is a special initiative created by the U.S. Congress and President Clinton in 2000 (P.L. 106-554) to further develop the bilateral relationship between our two countries through educational exchange and thus strengthen science and technology capacity in Vietnam. VEF is a U.S. federal government agency, established as an independent establishment of the executive branch, and must submit an annual report to the President and to the Committee on Foreign Relations of the U.S. Senate and the Committee on Foreign Affairs of the U.S. House of Representatives. VEF is funded annually in the amount of \$5 million until 2018.

As you will see in the accompanying *2015 Annual Report*, VEF has been very active and successful in both of its missions. As its flagship program, VEF supports Vietnamese nationals as Fellows, who are engaged in graduate studies, primarily doctorates, in the sciences (natural, physical, and environmental), engineering, mathematics, medicine (public health and biomedical sciences), and technology at universities throughout the United States. In addition, VEF supports two other exchange programs in these same fields: (1) Vietnamese post-docs pursuing professional development activities and research projects at U.S. universities; and (2) American professors teaching at Vietnamese universities, either on-site or via interactive videoconferencing. As a result, VEF is contributing at multiple levels to the ongoing reconciliation between the United States and Vietnam.

We hope you enjoy this report. Please let me know if you have any questions about VEF or if we may be of any further assistance.

Very respectfully,

IT Portfolio Manager
University of Texas
MD Anderson Cancer Center

Copies of this letter and the VEF 2012 Annual Report have also been sent to:
Senator Bob Corker, Chairman, U.S. Senate Committee on Foreign Relations
Senator Ben Cardin, Ranking Member, U.S. Senate Committee on Foreign Relations
Congressman Ed Royce, Chairman, U.S. House Committee on Foreign Affairs
Congressman Eliot Engel, Ranking Member, U.S. House Committee on Foreign Affairs

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Vietnam Education Foundation Annual Report FY 2015

Executive Summary

In accordance with P.L. 106-554, Title II, the Vietnam Education Foundation Act of 2000, the Vietnam Education Foundation (VEF) must provide an annual report to the President and Congress each year. This is the twelfth Annual Report, covering October 1, 2014, through September 30, 2015, the U.S. Federal Government Fiscal Year (FY) 2015.

FY2015 Achievements

VEF Fellowship Program

In FY 2015, VEF awarded 26 Fellowships to Vietnamese nationals to pursue master's or doctoral degrees at 21 leading universities in the United States (*Appendix 1: 2015 VEF Fellows*). These Fellows began their graduate study in the fall semester of 2015, the 13th year VEF has brought Fellows to the United States.

VEF Visiting Scholar Program

In this reporting period, VEF awarded four grants to Vietnamese Ph.D. recipients to undertake professional development programs in the United States during the academic year 2015-16 (*Appendix 2: 2015 VEF U.S. Visiting Scholars*). This ninth cohort of Visiting Scholars is pursuing self-designed postdoctoral training programs at four leading U.S. universities from 5 to 12 months, focusing on forestry, industrial engineering, particle high-energy physics, and human-computer interaction.

VEF U.S. Faculty Scholar Program

In FY 2015, VEF awarded grants to three U.S. professors who are the eighth group of professors to teach at Vietnamese universities as part of the U.S. Faculty Scholar Program. These professors will conduct their teaching programs during the 2015-16 Academic Year in biostatistics, mechanical engineering, and animal behavior (*Appendix 3: 2015 VEF U.S. Faculty Scholars*).

Annual Conference

VEF encourages the development of a community among VEF Fellows and Scholars to help them establish professional and personal ties while in the United States, as well as to maintain these relationships when they return to Vietnam. As one means to this end, VEF organizes an annual conference in the United States so that VEF Fellows, Visiting Scholars, and U.S. Faculty Scholars can interact with each other and with the U.S. scientific community. The VEF Fellows and Scholars Association (VEFFA), a 501(c)(3) non-profit organization established by VEF

Fellows with the encouragement of VEF, also joins in this effort. VEF provides VEFFA with meeting space and VEFFA shares in the planning of some conference events.

Due to potential fund sequestration and the uncertainty surrounding it, VEF could not sponsor a conference during FY 2015 but is planning an event in Washington, D.C. on March 16-19, 2016.

Pre-Departure Orientation (PDO)

Figure 1: Consul to Vietnam from the United States, Ms. Rena Bitters (second row, center), joins staff and two VEF



Board Members, Tim Marshall (Department of State) and Anhlan Nguyen (M.D. Anderson Cancer Center), and the 2016 Fellows and Visiting Scholars at the Pre-Departure Orientation in May 2015

To enhance the successful transition from Vietnam to the United States, to bolster the success of new VEF Fellows and Visiting Scholars, and to meet the U.S. Department of State's requirements for Exchange Visitor Programs, VEF provides a Pre-Departure Orientation (PDO) program for all new VEF Fellows and Visiting Scholars prior to their departure from Vietnam. The postdoctoral Visiting Scholars establish a network with VEF Fellows that will continue when both groups return to Vietnam. While differences in age and professional experience exist between the Visiting Scholars and Fellows, both groups learn about a multitude of new issues they will encounter as international students and scholars when living in the United States and about the way American academia functions.



Figure 2: 2015 VEF Fellows and Visiting Scholars at the Team Building Session of the Pre-Departure Orientation, Bien Hoa, Dong Nai, June 2015

The PDO is an important component in facilitating the new Fellows and Visiting Scholars' transition to North American culture and to U.S. university life. VEF's comprehensive PDO consists of two distinct sections:

1. An outdoor experiential learning program that focuses on activities that requires program participants to think outside of the box and deal with new and challenging situations.
2. Formal interactive presentations, focusing on topics such as cultural adjustment, U.S. academic culture, immigration regulations and responsibilities, and VEF policies.

Interview Mission

The 2016 Fellowship and Visiting Scholar finalists were interviewed in July and August 2015. As with all VEF Fellowship and Grant awards, the VEF Board of Directors makes the final selection of all fellowship and grant recipients, based on the recommendations of prominent U.S. professors and scientists.

The 2016 VEF Fellowship interview panels consisted of ten North American professors, who evaluated the applicants' preparation and potential for success in a U.S. graduate program (*Appendix 4: 2015 U.S. Interview Panel for VEF Oral Exam/Interview Mission*). The intensive 45-minute individual interview was conducted entirely in English by two U.S. scientists, who independently assigned a score to each candidate.



Figure 3: 2015 VEF Review Panels and VEF Staff, August 2015, Ho Chi Minh City

VEF provides additional support for the awardees.

- University Application Orientation and Advising sessions, conducted by VEF
- Financial support from VEF for the following:
 1. Editorial review of a personal essay to be submitted as part of the application to U.S. universities
 2. GRE General Test and TOEFL or IELTS score-reporting fees for the five approved U.S. universities
 3. Application fees for up to five approved U.S. universities (members of the VEF Member of the VEF Alliance waive application fees for VEF Fellows applying to their universities)

With advice and guidance from VEF throughout the university application process, Fellows and Alternates submit and monitor their applications to U.S. universities on their own. By late March, all must provide VEF with their final U.S. university admission letters and valid VEF Financial Agreement Forms and indicate their preferred university.

Capacity Building

The prominent professors, who travel to Vietnam to interview applicants for the VEF Fellowship and Visiting Scholar Programs, also contribute to capacity building in Vietnam. These professors and researchers give presentations on their research and how to get into graduate school in the United States. They also meet with departments, academics, and students in their specialty.



Figure 4: Drs. Elba Serrano (New Mexico State University), Gisele Muller-Parker (National Science Foundation), Scott Angle (University of Georgia), and Mary Lou Soffa (University of Virginia) present at EducationUSA in Hanoi.

During the last Interview Mission for VEF in the summer of 2015, the professors spoke to 45 faculty and students about how to apply to graduate school in the United States at EducationUSA in Hanoi. Although they are specialists in fields of Science, Technology, Engineering, Mathematics and Medicine (STEMM), the professors provided good advice for graduate school applicants in all fields of study. Parts of the session were filmed by a Vietnamese television station and Dr. Scott Angle, Professor and Dean of the College of Agricultural and Environmental Sciences at the University of Georgia, was interviewed for a more detailed broadcast about Vietnamese students. Dr. Angle participated in the VEF-sponsored site visits that led to the publication of two VEF reports: *Observations on the Current Status of Education in the Agricultural Sciences in Vietnam* (2007) and *Observations on the Current Status of Higher Education in Agricultural Sciences, Civil Engineering, Computer Science, Electrical*

Engineering, Environmental Sciences, Physics, and Transport and Communications at Select Universities in Vietnam (2014). Dr. Angle reported that Vietnamese universities have made significant progress since the first report in 2007. VEF hopes that the recommendations made by the site visitors have contributed to this success.



Figure 5: Gina Lee-Glauser, Vice President for Research at Syracuse University speaks at the EducationUSA facility in Ho Chi Minh City, Vietnam, August 2015. Also participating are Drs. Elba Serrano, New Mexico State University, Scott Angle, University of Georgia, and Gisele Muller-Parker, National Science Foundation.



Figure 6: Drs. Do Tien Dzong and Muller-Parker appear with the Executive Director of VEF, Ms. Sandy Dang, the VEF Country Director, Dr. Phuong Nguyen, and another colleague of Dr. Dzong from NAFOSTED.

In Ho Chi Minh City, in a session on the same topic that was filmed by another television station, VEF staff and other speakers were also interviewed briefly. The session in Ho Chi Minh City (HCMC) attracted nearly 200 students and professors. This broadcast appeared on FBNC on September 17, 2015 and may be accessed on [You Tube](#).

Gisele Muller-Parker, Program Director of the National Science Foundation (NSF) Graduate Research

Program, heads the largest fellowship program in the United States that funds U.S. graduate students. She met with representatives of the Ministry of Education and Training (MOET) study abroad program known as the 911 to discuss common issues. Dr. Muller-Parker also met with the organization parallel to NSF in the United States, which is a part of the Ministry of Science and Technology (MOST). In this meeting, all parties discussed best practices in funding collaborative research. Dr. Muller-Parker met with both of these organizations last year and VEF hopes that the additional contact will lead to more productive interactions in the future. At another meeting, Dr. Muller-Parker gave a presentation on Environmental change and coral reefs: “lessons from temperate algal symbioses” to the Oceanology, Meteorology and Hydrology Departments in the Faculty of Physics and Engineering Physics at Vietnam National University, HCMC.

Dr. Mary Beth Hueste made three scientific presentations in Vietnam: 1) "Prestressed Concrete Bridges – Solutions for Varying Span Lengths" at the National University of Civil Engineering in Hanoi; 2) "Seismic Fragility Analysis and Loss Estimation for Concrete Structures" at the Vietnam Institute for Building Science and Technology; and finally, 3) "Design and behavior of spliced continuous prestressed concrete slab-on-girder bridges" at Ton Duc Thang University. A summary of the last paper is presented on the Ton Duc Thang University website with pictures from the talk: <http://ktct.tdt.edu.vn/en/index.php/faculty-research/conferences>. At all three venues, Dr. Hueste held discussions with faculty and students after the presentations. Finally, she met with representatives from the Ton Duc Thang University to discuss the possibility of collaborations between Ton Duc Thang and Texas A&M, where she is a professor.



Figure 7: Dr. Hueste appears below, third from the left at her collaborative meeting with Ton Duc Thang University

Dr. Mary Jane Irwin presented "Computer Architecture and Design: Looking Back, Projecting Forward" to the Post and Telecommunication Institute of Technology in Hanoi and again in Ho Chi Minh City to the Hi-Tech Institute of Nguyen Tat Thanh University. Both talks were followed by meetings with faculty and students. Dr. Irwin is a member of the National Academy of Engineering and has been strongly involved with forwarding the participation of women in science in the United States. This summer was Dr. Irwin's second trip to Vietnam to interview students. During her previous trip in 2012, she met with the Computer Science Department, HCMC University of Technology, VNU-CM. This institution conducted the first ever peer review in line with the ABET (Accreditation Board for Engineering and Technology) standards and criteria in Vietnam in November 2013.



Figure 8: Dr. Irwin is shown here making a presentation at Nguyen Tat Thanh University.

Dr. Mary Lou Soffa, the Owens R. Cheatham Professor in the Department of Computer Sciences at the University of Virginia, gave a talk on "Warehouse Scale Computers: Opportunities and Challenges" at Hanoi University of Science and Technology. She has published over 175 articles and has directed 32 Ph.D. students to complete their degrees, more than half of whom are women. As a strong advocate for women in fields of science and engineering, she and the other women who served as interviewers in 2015 were visible role models for young Vietnamese women who wish to study Computer Science, Civil Engineering, Neuroscience, Aerospace Engineering, and Oceanography.

Dr. Elba Serrano, began her career as a physicist, but is now a University Professor at the New Mexico State University doing research and teaching in neuroscience. Rather than visiting a



Figure 9: The photo above shows Dr. Angle speaking with Faculty at VNU-HCMC.

university, Dr. Serrano gave a talk on "Neuroscience Research Opportunities: The BRAIN Initiative and Interdisciplinary Collaborations" at the Vinmec International Hospital.

Finally, Dr. J. Scott Angle, a long-time friend of VEF, met with Faculty members of the Department of Molecular and Environmental Biotechnology, University of Science, Vietnam National University, Ho Chi Minh City (VNU-HCMC). He participated in VEF-sponsored site visitor teams (discussed above), and has served as an interviewer twice.

Dr. Angle has strongly encouraged Vietnamese students to come to the United States to study and has recruited a good number of students for his institution.

As time goes by, the interactions between the interviewers, host universities, and VEF Fellows and Scholars expand and grow. Although this is the last year for the VEF Interview Mission, many of these professors and scholars will continue to interact and build bridges between

Vietnam and the United States. We at VEF hope that these interactions will grow and thrive long after VEF's funding for the program ends.

See *Appendix 5* for a Table of the Capacity Building Activities of U.S. Interviewers in Vietnam in July and August of 2015.

Challenges in FY 2015

Board and Personnel

VEF is governed by a thirteen-member Board of Directors that consists of two U.S. Senators, two U.S. Representatives, three U.S. cabinet members, and six members from the U.S. citizenry appointed by the President of the United States. The current presidential appointees include Anhlan Phuc Nguyen, IT Portfolio Manager, University of Texas M.D. Anderson Cancer Center, who serves as the Board Chair, and Edmund J. Malesky, Associate Professor, Department of Political Science, Duke University, who serves as the Chair of the Finance Committee. As of the same date, the four U.S. congressional appointees were Senator David Vitter, Senator Richard Blumenthal, Congresswoman Loretta Sanchez, and Congressman Joseph R. Pitts. The three U.S. cabinet-level appointees were Secretary of Education Arne Duncan, Secretary of State John Forbes Kerry, and Secretary of the Treasury Jacob J. Lew. The congressional and cabinet-level members of the Board typically appoint a designee on their behalf to represent them at VEF Board meetings. *Appendix 6* provides a full list of the Board Members as of September 30, 2015.

The Board appoints an Executive Director to oversee VEF operations conducted through two highly coordinated offices: (1) the U.S. Headquarters Office, located in Arlington, Virginia and (2) the Vietnam Field Office located in Hanoi, Vietnam. Ms. Sandy Hoa Dang was appointed by the Board of Directors to serve as the VEF Executive Director in February 2015. Ms. Dang oversees four U.S. Federal Government employees at the Headquarters office and seven Vietnamese contractors at the Hanoi office. A list of VEF staff members as of September 30, 2015 may be found in *Appendix 7*.

Financial Challenges due to Sequestration

VEF has operated within budget this year, as it has each year. VEF receives \$5 million annually from the Vietnam Debt Repayment Fund, which is described in the VEF Act. However, in compliance with the Sequestration Act of 2014, VEF was sequestered \$365,000 during FY 2015.

Planning for VEF's Sunset

Consistent with VEF's legislation, VEF may not award any new fellowship, or extend any existing fellowship, after September 30, 2016. Accordingly, as VEF's fellowships generally cover a 2 year period, it is anticipated that VEF is scheduled to sunset as of September 30, 2018, when all the award recipients are expected to complete their programs. The VEF Board of

Directors and staff have been working to adequately plan for VEF to sunset, so that the educational programs are not disrupted.

Financial Report and Audit Results

As of the beginning of FY 2015, the carryover amount from previous fiscal years was \$2,582,804. The VEF Board of Directors approved a budget of \$4,999,995 for FY 2015. Of this amount, 58% (\$2,912,350) was allocated as direct costs related to VEF's educational exchange programs and capacity building projects. This figure includes the following budget categories as listed on the FY 2015 budget: Fellow Expenses, New Fellow Expenses, Pre-Fellow Expenses, Visiting Scholar Program, U.S. Faculty Scholar Program, and Fellow and Visiting Scholar Alumni Conference, and outreach activities. The remaining 42% (\$2,087,645) consisted of costs related to the direct support for the program mission, such as the expenses to conduct the applicant reviews and to organize the interviews in Vietnam; for staff travel to organize VEF events such as the Pre-Departure Orientation for the new Fellows and Visiting Scholars, the Interview Mission to select new Fellows, and the Alumni Conference; for Board member travel to VEF Board meetings and to observe VEF activities; for personnel costs; and for the operations of the VEF Headquarters in Arlington, Virginia, and the operations of the VEF Field Office in Hanoi. However, in compliance with the Sequestration Act of 2014, VEF was sequestered \$365,000 during FY 2015. Therefore, VEF closed FY 2015 having obligated \$3,855,771 of its total budget.

The VEF Board of Directors and Finance Committee meet regularly to discuss all financial matters that must be presented to the full Board. The members of the Finance Committee during this reporting period were Edmund J. Malesky, who served as Chair; Daniel Greenland (representing the Department of the Treasury); and David Plack or Tim Marshall (representing the Department of State).

Regarding oversight of VEF's financial condition as required by the U.S. Federal Government Office of Management and Budget (OMB), an annual financial audit was performed by Rocha & Company, P.C., Certified Public Accountants, located in Washington, D.C. The FY 2015 independent auditor's report (Appendix 8: Year 2015) stated the following results:

- The financial statements were presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles
- No material weaknesses or significant deficiencies in internal control over financial reporting (including safeguarding assets)
- No reportable noncompliance with laws and regulations

Attached to, and included within, the Auditor's Report were the following VEF financial statements, which were part of the auditor's report package:

- Balance Sheet (As of September 30, 2015 and 2014)
- Statement of Net Costs (For the Years ended September 30, 2015 and 2014)
- Statement of Changes in Net Position (For the Years ended September 30, 2015 and 2014)
- Statement of Budgetary Resources (For the Years ended September 30, 2015 and 2014)

To assist in financial matters and to ensure that VEF is in compliance with applicable financial laws and regulations, VEF contracts the U.S. Department of Agriculture, Office of Chief Financial Officer (USDA/OCFO) and U.S. General Services Administration (GSA) to carry out essential support functions, including human resources and payroll, as well as accounting, budget execution and financial reporting. See *Appendix 8* for a copy of VEF's FY 2015 Performance and Accountability Report (PAR).

FY 2015 Programs

VEF Fellowship Program

Gender Demographics

In FY 2015, VEF awarded 26 new fellowships to Vietnamese nationals to study graduate programs in fields of science and technology. Of the 26 new VEF Fellows, 13 (50%) were female and 13 (50%) were male. Fourteen (52%) plan to pursue a M.S./Ph.D. degree while twelve (46%) are enrolled in master's degree programs at 21 leading U.S. universities in fields of science, technology, engineering, mathematics, and medicine.

In the 2015 cohort, the percentages of female and male fellowship recipients were equal, which is a positive sign since females are often an underrepresented group in STEMM fields. This outcome is in line with VEF's efforts in promoting science and technology opportunity among female applicants. In recent years, priority has been given to female VEF applicants, provided that all other qualifications are equal.

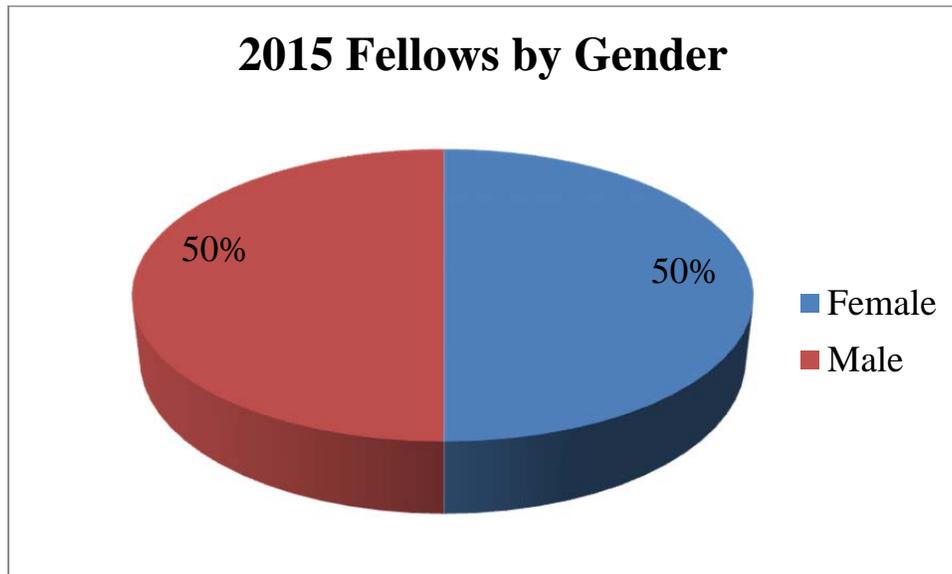


Chart 1: 2015 VEF Fellows by Gender

Origin in Vietnam

The place of origin in Vietnam is determined by the place of birth. In the 2015 cohort, the majority of Fellows are from the North (42%) followed by the South (35%) and the Center (23%).

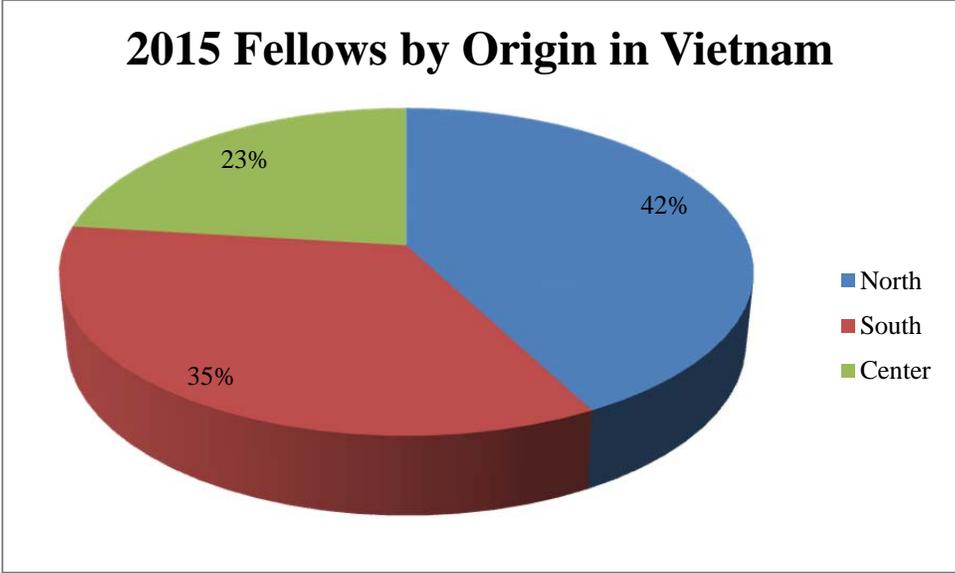


Chart 2: 2015 VEF Fellows by Origin in Vietnam

Age

For the 2015 cohort, 69% of Fellows were 24 or 25 years old when they first enrolled in their U.S. universities in the fall and winter of 2015. Fellows aged 26 to 28 made up 19% of the total, and the remaining (12%) were 30 or older when they became Fellows.

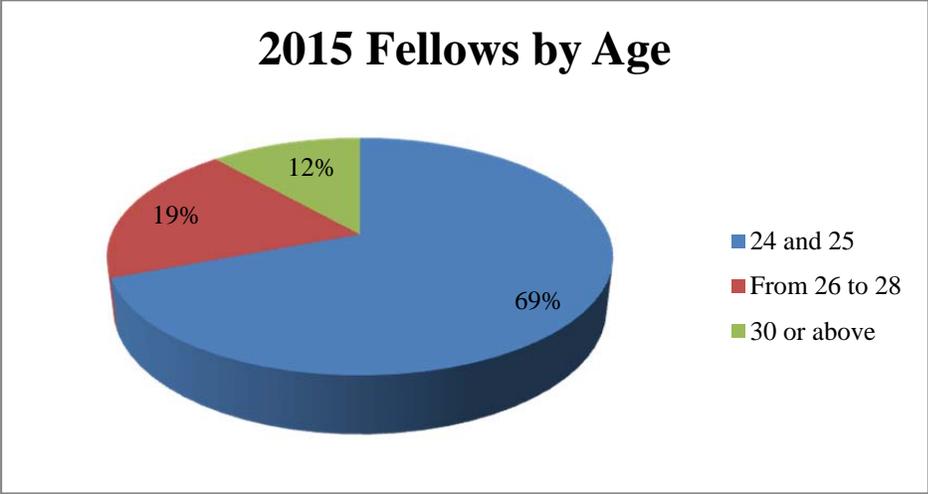


Chart 3: 2015 VEF Fellows by Age

Degree Sought

In 2015, the majority of VEF Fellows (14 or 54%) enrolled in M.S./Ph.D. degree programs while 12 (46%) enrolled in master’s programs.

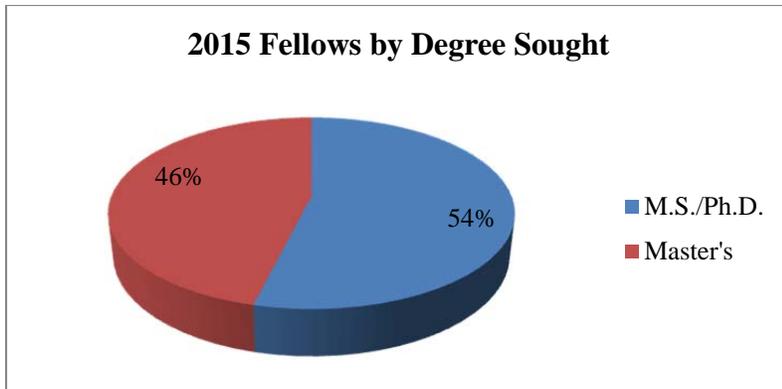


Chart 4: 2015 VEF Fellows by Degree Sought

Field of Study

In 2015 Fellows majored in agriculture, biological and biomedical sciences, computer science, engineering, mathematical sciences, physical sciences, and public health. Fellows specialized in the following fields of engineering: biological and agricultural, biomedical, chemical, civil, electrical and computer, environmental, industrial, materials, and mechanical engineering. A detailed description of the field representation may be seen in the graph below.

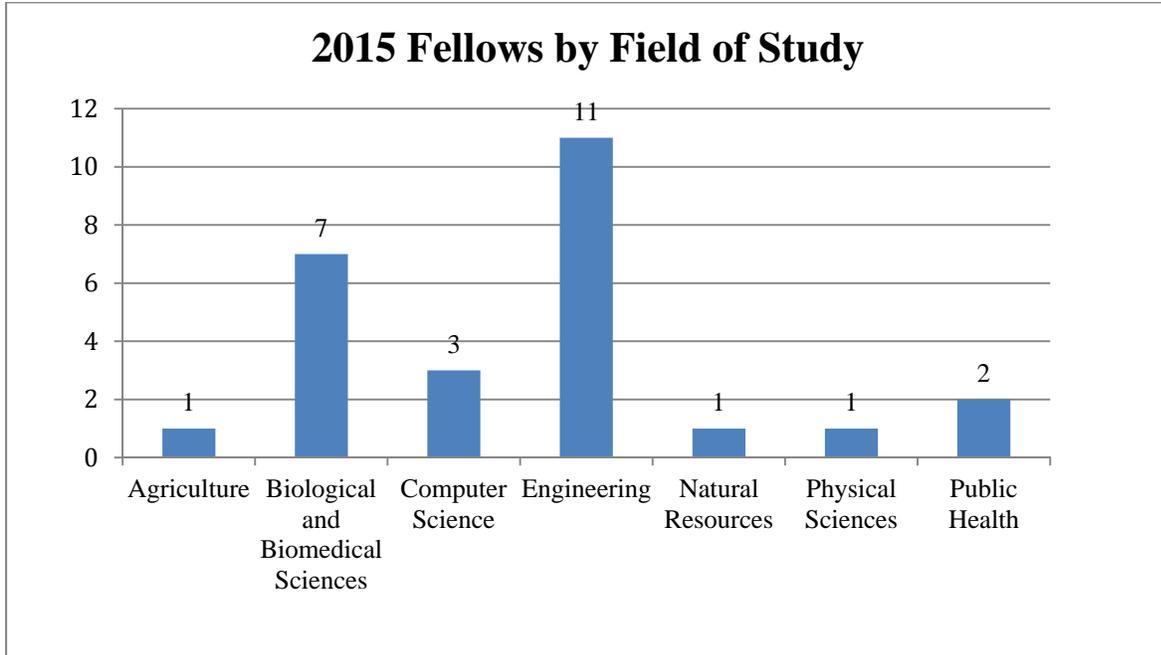


Chart 5: 2015 VEF Fellows by Field of Study

Visiting Scholar Awards for 2015

The Visiting Scholar competition is highly selective and is based on the following criteria:

- Evidence of superior academic achievement as a scholar in Vietnam
- Quality and value of the Visiting Scholar professional development plan
- Demonstrated commitment to the educational and scientific development of Vietnam
- Demonstrated commitment of support from the U.S. host institution.

For the Academic Year (AY) 2015-16, VEF awarded four Visiting Scholar grants (*Appendix 2: 2015 VEF Visiting Scholars*). In Vietnam, the Visiting Scholars work as university lecturers, researchers at research institutes, or as administrators at these institutions. The 2015 Visiting Scholars engaged in self-designed professional training programs at four different U.S. universities. Two Visiting Scholars opted for twelve-month programs while the other two opted for five- or six-month programs. This year, all four Visiting Scholars are male. The 2015 Visiting Scholars will begin their programs in fall 2015 or spring 2016 and are expected to finish by September 2016.

Visiting Scholar finalists were interviewed face-to-face during the VEF Oral/Exam Interviews conducted in July-August 2014. The final selection of Visiting Scholars is made by the VEF Board of Directors, based on the professors' recommendations.



Figure 10: 2015 Visiting Scholars at the Pre-Departure Orientation, Ho Chi Minh City, June 2015

U.S. Faculty Scholar Awards for AY 2015-16

For the academic year 2015-16, VEF awarded three grants to American professors (*Appendix 3: 2015 U.S. Faculty Scholars*). Two Scholars will teach face-to-face, while the third will teach via video conferencing from the United States. The latter will nevertheless be required to be present in Vietnam at least one week at the beginning of the course and one week at the end.

Exchange Visitor Program

VEF is a designated sponsor of the Exchange Visitor Program No. G-3-10180, for which VEF received initial approval on February 10, 2005. Ms. Sandarshi Gunawardena, the Senior Program Officer at VEF, serves as the Responsible Officer (RO) in the U.S. Headquarters. The RO manages all matters related to immigration procedures and immigration advising and visas for Vietnamese nationals, who are Exchange Visitors under VEF sponsorship.

The RO regularly uses the U.S. Government Student and Exchange Visitor Information System (SEVIS) to process immigration benefits, report and track, and to meet all compliance requirements for all VEF Fellows, Visiting Scholars, and their dependents throughout the duration of their approved programs in the United States.

VEF Alliance

In 2005, in order to achieve the cost-sharing mandate of the VEF legislation, VEF conducted a major campaign to establish cost-sharing agreements with U.S. universities that would like to host VEF Fellows. This community of academic institutions, known as the VEF Alliance, consists of U.S. universities that share in the VEF mission and that benefit from its success. As of September 2015, 107 leading American universities are members of the VEF Alliance (*Appendix 9: VEF Alliance: 107 U.S. Universities*).

Institutions that signed the Memorandum of Understanding (MOU) agreement with VEF were designated as members of the VEF Alliance. While VEF targeted major research universities in its initial campaign, any accredited U.S. university with graduate programs in fields supported by VEF could or may join the VEF Alliance. VEF seeks to collaborate with the Alliance by identifying and recruiting the best scholars from Vietnam to attend the Alliance universities through the VEF Fellowship Program and, on request, to introduce the U.S. universities to Vietnamese universities and other contacts in Vietnam.

Other U.S. universities, who are not members of the VEF Alliance, may admit VEF Fellows to their graduate programs as long as the university agrees in writing to accept the VEF Financial Terms. Thus, non-Alliance members are included among the U.S. universities that host VEF Fellows.

Relationships with Government and Other External Entities

U.S. Government Relations

VEF participated in a number of activities to commemorate the 20th Year Anniversary of Normalization between the United States and Vietnam. On July 29, 2015, Ambassador Ted Osius hosted a reception for VEF alumni, staff members, and U.S. professors who served as interviewers. The event provided an opportunity for VEF alumni to discuss their vision for the future development of science and technology in Vietnam with Ambassador Ted Osius. In addition, VEF participated in the Working Group on Education at the 9th U.S.-Vietnam Science and Technology Joint Committee Meeting that was held on December 2nd and 3rd, 2015 in Ho Chi Minh City, Vietnam. VEF collaborated with the Office of Science and Technology within the State Department to engage VEF alumni to participate in a variety of Working Groups. As a result, VEF alumni had the opportunity to meet with representatives from the National Science Foundation, National Weather Service, National Oceanic and Atmospheric Administration, Office of Asia and the Pacific, U.S. Department of Health and Human Services, U.S. Agency for International Development in Vietnam, SPAWAR (Space and Naval Warfare Systems Command) Systems Center – Pacific, U.S. Navy, Smithsonian Conservation Biology Institute, National Cancer Institute, National Institutes of Health, and Centers for Disease Control and Prevention.

Vietnamese Government Relations

VEF regularly visits Vietnamese government agencies in Vietnam in order to maintain excellent ongoing relationships. During this reporting period, VEF Board members and staff members visited the Ministry of Science and Technology (MOST), the Ministry of Foreign Affairs (MOFA), and the Vietnam International Education Development Office (VIED), under the Ministry of Education and Training (MOET). Minister Nguyen Quan of MOST has expressed his appreciation for the achievements of VEF over the past few years and has indicated his strong support for VEF's operations in Vietnam. The Deputy Minister of MOFA, Mr. Ha Kim Ngoc has also expressed his appreciation for VEF's achievements.

Dr. Nguyen Xuan Vang, Director General of VIED, has expressed his appreciation and strong support for VEF. He hopes that the U.S. Government can continue to provide similar support to Vietnam through fellowship programs and has praised the practical effectiveness of connecting Vietnamese universities and scholars with U.S. universities and professors.

The governing body of the VEF representative office in Vietnam is the Ministry of Education and Training, so VEF also keeps MOET updated on VEF's programs and activities in Vietnam.

U.S. University Relations

To strengthen the work related to all exchange programs, and particularly to facilitate immigration advising and other support services provided to all program participants, VEF

strives to maintain strong connections and good communication with U.S. university staff, administrators, and faculty. To this end, VEF staff also met with university representatives at the VEF U.S. Hanoi Field Offices, and scheduled meetings at conferences and other professional meetings.

Vietnamese University Relations

VEF continues to build relationships with Vietnamese universities. On a regular basis, VEF informs Vietnamese universities about the following:

1. Announcements on all VEF programs (Fellowships, Visiting Scholar grants, U.S. Faculty Scholar grants);
2. Opportunities to attend the VEF Annual Fellows and Scholars Conference;
3. Possibilities of observing VEF activities, such as the Fellowship and Visiting Scholar interviews;
4. Opportunities to host a U.S. professor, who is sponsored by VEF in Vietnam, to give a lecture or presentation; and
5. Exchange of website links to reinforce information updates. To date, the following 14 Vietnamese universities have posted the VEF website on their university website and VEF provides a link to theirs at the VEF website:
 - Danang University of Education
 - Hanoi School of Public Health
 - Hanoi University of Agriculture
 - Hanoi University of Science and Technology
 - Hanoi University of Science, Vietnam National University - Hanoi
 - Ho Chi Minh City University of Technical Education
 - Ho Chi Minh City University of Technology
 - Ho Chi Minh City University of Transport
 - Nha Trang University
 - Nong Lam University
 - University of Danang
 - University of Science, Vietnam National University - Ho Chi Minh City
 - University of Transport Technology
 - Vietnam National University - Hanoi

The VEF Hanoi staff reaches out to Vietnamese universities in order to conduct presentations or seminars with the participation of VEF Alumni on the opportunities that VEF offers through its

exchange programs. However, due to the uncertainty of funding, as a result of sequestration in fiscal year 2015, Vietnamese university visits have been combined with the capacity building activities, when the U.S. professors deliver lectures or presentations at Vietnamese educational institutions as part of their participation in the Interview Mission. In addition, VEF also acts as a liaison between Vietnamese universities and U.S. government entities or U.S. universities, on request.

VEF History and Overview

Since VEF’s operations fully began in 2003, VEF has enjoyed a high level of success in its many programs and activities. The table that follows contains a summary of the history and achievements of VEF from the early days until September 30, 2015.

The following are milestones in the history of VEF:

DATE	EVENT
December 2000	The Vietnam Education Foundation Act of 2000 (U.S. Public Law 106-554) was amended and passed by Congress.
April 2002	The first Board of Directors was selected. Mr. Herbert Allison (Chairman, President, and Chief Executive Officer of TIAA-CREF) was elected Chair of the VEF Board of Directors in December 2002.
March 2003	The first Executive Director, Mr. Pham Duc Trung Kien, was appointed. VEF opened its headquarters in Arlington, Virginia.
Fall term 2003	The first cohort of 19 VEF Fellows began graduate studies in highly regarded U.S. research universities.
Fall 2003	VEF Fellows gathered for the first time in the United States at a meeting in Washington, DC—the very first VEF annual conference. At the request of VEF, the U.S. National Academies organized VEF annual conferences from 2003 until 2009, at which time VEF assumed this role.
November 2003	The VEF overseas field office opened in Hanoi, Vietnam, staffed by Vietnamese contract employees.
April 2004	Under VEF’s sponsorship, Dr. Phillip Griffiths of the Institute for Advanced Study in Princeton, NJ, presented a seminar in Vietnam, entitled <i>Building Science and Technology Capacity in Vietnam</i> . During his visit, he also discussed the creation of Centers of Excellence in Vietnam.
February 2005	The U.S. Department of State authorized VEF as a designated sponsor of an Exchange Visitor Program.

DATE	EVENT
June 2005	An official operating permit (license) from the Vietnam Ministry of Education and Training (MOET) was granted to VEF for its representative office in Vietnam.
June 2005	Prime Minister Phan Van Khai visited the United States to meet President George W. Bush, and mentioned VEF as a way to encourage cultural and educational exchange between the United States and Vietnam.
July 2005	More than 100 high-quality U.S. universities joined the VEF Alliance. ¹ Each institution signed an MOU outlining the benefits and requirements for hosting VEF Fellows for graduate study.
August 2006	Prof. Dr. Nguyen Thien Nhan, who was then the Vice Chairman of the People's Committee of Ho Chi Minh City, now Deputy Prime Minister, requested that VEF arrange for site visits to allow for an overview of higher education in selected science-based fields of study. The first research report was entitled: <i>Observations on Undergraduate Education in Computer Science, Electrical Engineering, and Physics at Select Universities in Vietnam.</i>
November/ December 2006	At MOET's request, VEF organized study tours for a MOET delegation, led by Prof. Dr. Nguyen Thien Nhan, then Minister of MOET, to visit Germany ² and the United States in order to investigate best practices for establishing world-class universities in Vietnam.
January 2007	The second research report sponsored by VEF was completed, this time focusing on agriculture: <i>Observations on the Current Status of Education in the Agricultural Sciences in Vietnam.</i>
February 2007	Vo Van Toi, Ph.D., was appointed the second Executive Director of VEF.

¹ As of September 2015, the VEF Alliance consisted of 107 leading U.S. universities that have agreed to share the educational costs for VEF Fellows in exchange for the opportunity to admit highly-qualified Vietnamese students for admission to their graduate programs and to have the assistance of VEF in identifying academic institutions and government entities in Vietnam of particular interest to the U.S. university.

² Rice University (Houston, Texas) helped to establish a German university, which served as an example to MOET of how a U.S. university assists in such cooperative academic efforts with a foreign country.

DATE	EVENT
March 2007	MOET began emulating VEF's application and selection process, culminating in candidate interviews in August 2007, organized by VEF. The Vietnamese Government Overseas Scholarship Program, known as the 322 Program, became the Vietnam International Education Development (VIED) program, under the direction of MOET. This program is now called the "911."
April 2007	Nguyen Thi Thanh Phuong, Ph.D., was appointed as the first Country Director of the VEF overseas field office in Hanoi.
May 2007	The first cohort of 12 Visiting Scholars was selected to pursue postdoctoral self-designed professional development programs at U.S. universities for up to 12 months.
June 2007	VEF senior leadership met with Prime Minister Nguyen Tan Dung, thus demonstrating the importance of the relationship between VEF and the Vietnamese government.
April 2008	VEF received a new operating permit from the Vietnamese government that provides VEF with tax-free Non-Return Official Development Assistance (ODA) status.
April 2008	The first cohort of four American professors was selected for the VEF U.S. Faculty Scholar Grants Program to teach at Vietnamese universities either on site or via videoconferencing during the 2008-09 academic year.
December 2008	The first VEF Alumni Conference was organized by VEF in Hanoi for VEF Fellows and Visiting Scholars, who had returned to Vietnam.
November 2009	Lynne A. McNamara, Ph.D., was appointed as the third Executive Director of VEF.
January 2010	The 7th VEF Annual Fellows and Scholars Conference was hosted by a VEF Alliance school, Rensselaer Polytechnic Institute (RPI), and co-organized with VEF.

DATE	EVENT
January 2010	VEF successfully transferred its responsibilities for the Vietnam Open Course Ware (VOCW) project as well as related software and hardware to MOET. VEF donated 15 servers dedicated to the VOCW project to 15 different Vietnamese universities. VEF, with the assistance of D&N International, ³ facilitated the porting of the Creative Commons License into the Vietnamese language and law.
May 2010	At the invitation of the Open Course Ware Consortium (OCWC), VEF co-hosted the 5th Annual OCWC Global Meeting (May 5-7) in Hanoi.
April 2011	At the request of former U.S. Ambassador Michael Michalak, VEF co-organized and co-sponsored, together with the U.S. Embassy in Hanoi and MOET, the 4th Annual Education Conference in Vietnam to strengthen higher education ties between the United States and Vietnam.
September 2011	VEF assumed full responsibility for administering the application and selection process of its programs in house.
December 2012	To commemorate VEF's 10 th year anniversary in 2013, VEF contracted with TAJ Media Company to produce a documentary film in the year 2012. The film, which was aired on the Vietnam National Television (VTV), captures activities and achievements of VEF during its ten-year journey.
Year 2013	The year 2013 marked VEF's 10 th year anniversary of operations. Commemorating activities took place throughout the year 2013.
July 2013	VEF sponsored a series of site visits to observe the progress of Vietnamese higher education following from the two studies in 2006 and 2007. At the request of MOET the study included three additional fields of study: civil engineering, environmental sciences, and transport and communications. A research team of eight U.S. professors conducted site visits to 14 Vietnamese universities in four cities: Hanoi, Thai Nguyen, Ho Chi Minh City, and Can Tho.

³ VEF uses the law firm D&N International for legal consultation in Vietnam.

DATE	EVENT
July 2014	Ms. Anhlan Phuc Nguyen was selected as the Chair of the VEF Board of Directors.
July 2014	The Research Report based on the 2013 site visits, led to publication of the report: <i>Observations on the Current Status of Higher Education in Agricultural Sciences, Civil Engineering, Computer Science, Electrical Engineering, Environmental Sciences, Physics, and Transport and Communications at Select Universities in Vietnam.</i>
August 2014	Ms. Sandy Dang was appointed as the Acting Executive Director of VEF.
February 2015	Ms. Sandy Dang was appointed as the Executive Director of VEF.
August 2015	Final Interview Mission to recommend VEF Fellows and Visiting Scholars

Table 1: Milestones in the History of VEF

Overview of VEF Programs

As prescribed in the legislation that established VEF, program activities focus only on the sciences (natural, physical, and environmental), engineering, mathematics, medicine, and technology (including information technology), often referred to as the STEM⁴ fields. Educational exchange activities are conducted through the following VEF programs.

VEF Fellowship Program

As the flagship activity of VEF, which has been in effect since 2003, the VEF Fellowship Program creates opportunities for talented Vietnamese to become pioneers and leaders in their fields by pursuing graduate degrees at U.S. universities. VEF has designed a rigorous and transparent application and selection process to identify outstanding candidates. VEF assists the final nominees in applying to highly regarded U.S. universities. Fellows are chosen on the basis of individual merit, including academic performance, the potential for contributing to education and scientific research in their fields, and for bringing their knowledge and good will back to Vietnam.

The following tables and charts provide summary data on all VEF Fellows and address the following: numbers in each cohort; fields that VEF Fellows are pursuing in graduate school; gender; degrees sought or received (master's or doctorate); age; and region of origin in Vietnam. Included in this summary report is an analysis of VEF Fellows who have graduated and completed their programs under VEF sponsorship.

From March 2003 through the fall term 2015, VEF has supported 547 VEF Fellows, consisting of 13 separate cohorts, placed in graduate programs at 100 top-tier U.S. research universities, which are listed further below. A cohort is defined as a group of Fellows, who begin graduate studies in the United States together in the same year.

⁴ STEM: Science, Technology, Engineering, Mathematics, and Medicine.

The number of VEF Fellows by Cohort Year is listed below in Table 2.

COHORT YEAR	NUMBER OF VEF FELLOWS
2003	19
2004	83
2005	51
2006	37
2007	40
2008	38
2009	39
2010	35
2011	43
2012	49
2013	47
2014	40
2015	26
2016	1 2015 Fellow has deferred to 2016
TOTAL	548

Table 2. Numbers of VEF Fellows by Cohort

The VEF legislation was enacted in 2000, but operations did not begin until 2003. For this reason, the appropriated funds had accumulated and permitted VEF to award a large number of Fellowships in 2004. Since 2003, the average number of Fellows selected per year is 42 (548 Fellows in thirteen cohorts). Twenty-three Fellows have withdrawn (4%) for personal or

academic reasons, and 17 have transferred to other programs. If the Fellows make acceptable academic progress and if funds are available at the university, all VEF students who do not complete their doctoral programs by 2018 will transfer to the immigration sponsorship of their university. Accordingly, the numbers of degree recipients will continue to increase even after VEF's 2018 sunset. For statistical purposes below, the total number of VEF Fellows is 524 (minus 23 withdrawals and one deferred Fellow).

Fields Represented

Fields of study of VEF Fellows are grouped into ten broad fields as shown below. The ten fields in numerical order from highest participation to lowest participation on average since 2003 are:

1. Engineering (41%)⁵
2. Computer Science (17%)
3. Biological and Biomedical Sciences (13%)
4. Public Health (9%)
5. Physical Sciences (7%)
6. Agriculture (5%)
7. Mathematical Sciences (4%)
8. Natural Resources (2%)
9. Engineering Technology, General (1%)
10. Multi/Interdisciplinary Studies (1%)

Interestingly, the number of Fellows studying in the broad field of Biological and Biomedical sciences has risen from 0% in 2003 to 13% in 2015. The field of Public Health has held at around 9% in recent years.

⁵ Fields of Engineering include Chemical Engineering and Materials Science, Civil and Environmental Engineering, Electrical and Computer Engineering, Mechanical and Aerospace Engineering, and Engineering Technology.

All VEF Fellows by Field of Study

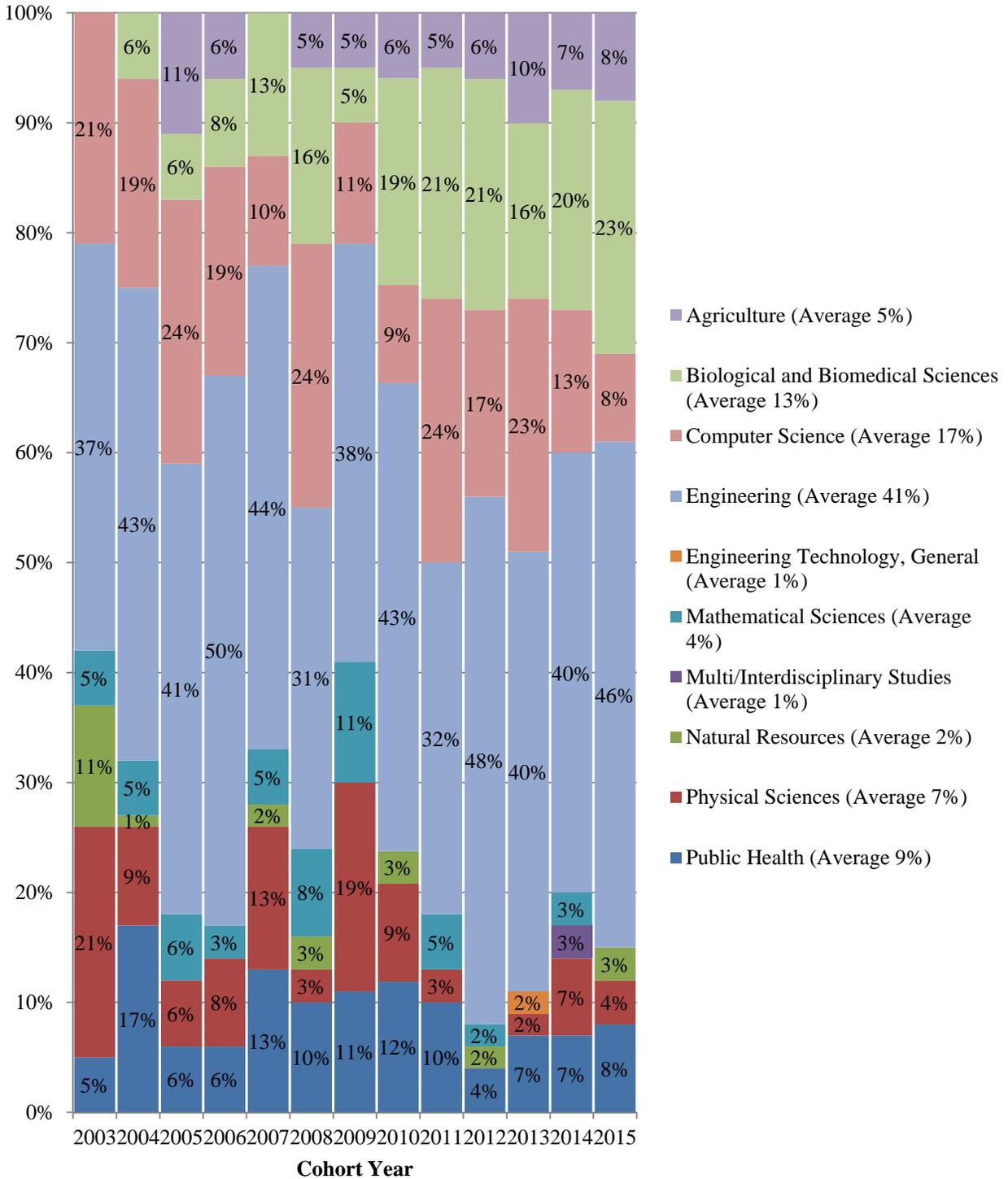


Chart 6. All VEF Fellows by Field of Study

Gender

Overall, the breakout by gender for VEF Fellows is 66% male and 34% female, but the percentages vary from year to year. Although there were fewer women than men in each VEF Fellowship cohort prior to 2015, the number of female Fellows has increased significantly, from 5% in 2003 to more than 30%, beginning in 2008. In 2015, the number of male and female Fellows was equal (Chart 7). This change is in line with VEF efforts to increase the number of underrepresented groups among VEF Fellows. In recent years, priority has been given to female VEF applicants, provided that all other qualifications are equal.

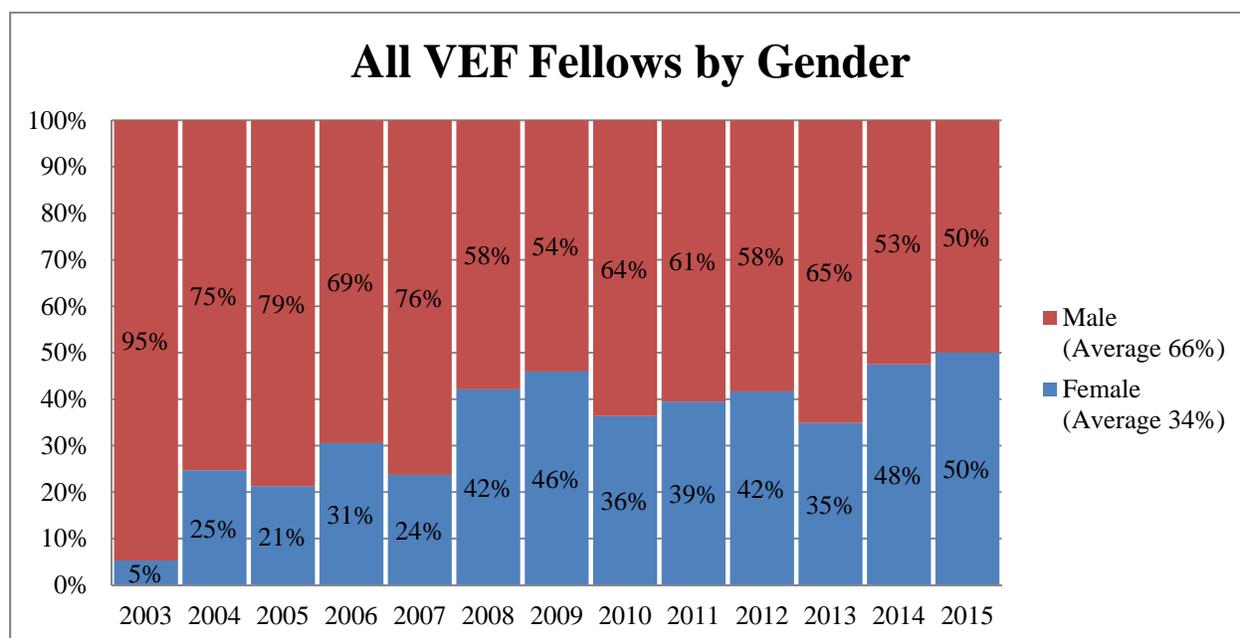


Chart 7: All VEF Fellows by Gender

Degree Sought/Received

The table below analyzes the degrees sought or received by all 547 VEF Fellows. As of September 30, 2015, 337 Fellows have completed many degree programs. Of these, 47 (14%) are engaged in post-graduate Academic Training in the United States. Two-hundred thirty-eight (71%) Fellows received doctoral degrees and 99 (29%) received master's degrees. The 187 current Fellows are still pursuing their graduate degrees, identified in Chart 8 as Degree Sought. Only 24 current Fellows are pursuing a master's degree, while 163 are pursuing a doctoral degree. Fellows admitted to an M.S./Ph.D. degree are listed below as pursuing a Ph.D. because the doctoral degree is their ultimate goal. Forty-nine Fellows (9%) intended to complete a doctoral degree, but only completed a master's degree, a situation identified as "reverse matriculation." Some students who withdrew had family issues and personal problems that called them back to Vietnam. In some cases, the Fellows did not perform well in their doctoral

programs, and in others, they discovered that they did not wish to go into research or commit six to nine years to completing a Ph.D. Those who reverse matriculated were able to receive a master's degree, and so were able to return to Vietnam earlier and to make a positive contribution to the work force.

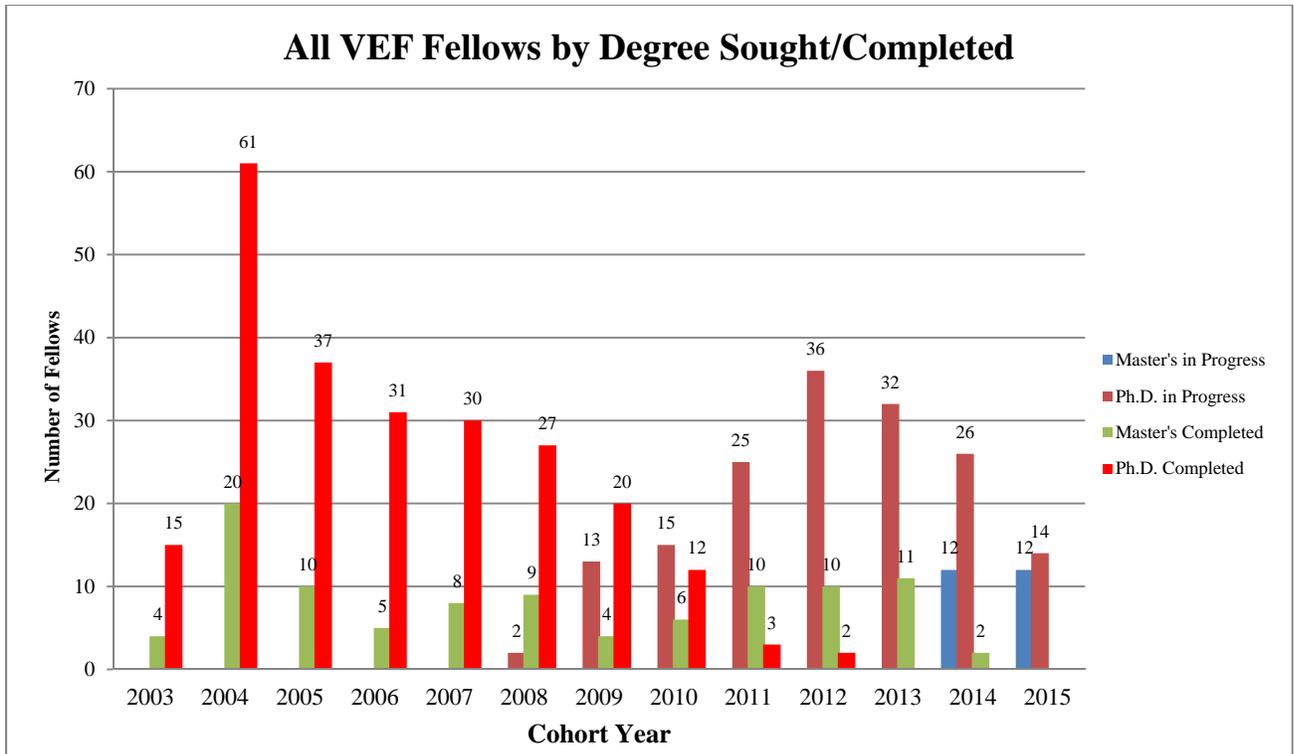


Chart 8: All VEF Fellows by Degree Sought/Received

Age

Among all Fellows, the majority received VEF Fellowship awards when 21 to 26 years of age (70%), while 20% were in the 27 to 30 year range and only 10% were older than 30. The youngest age group increased from 53% in 2003 to 87% in 2008, but has decreased somewhat in recent years (Chart 9).

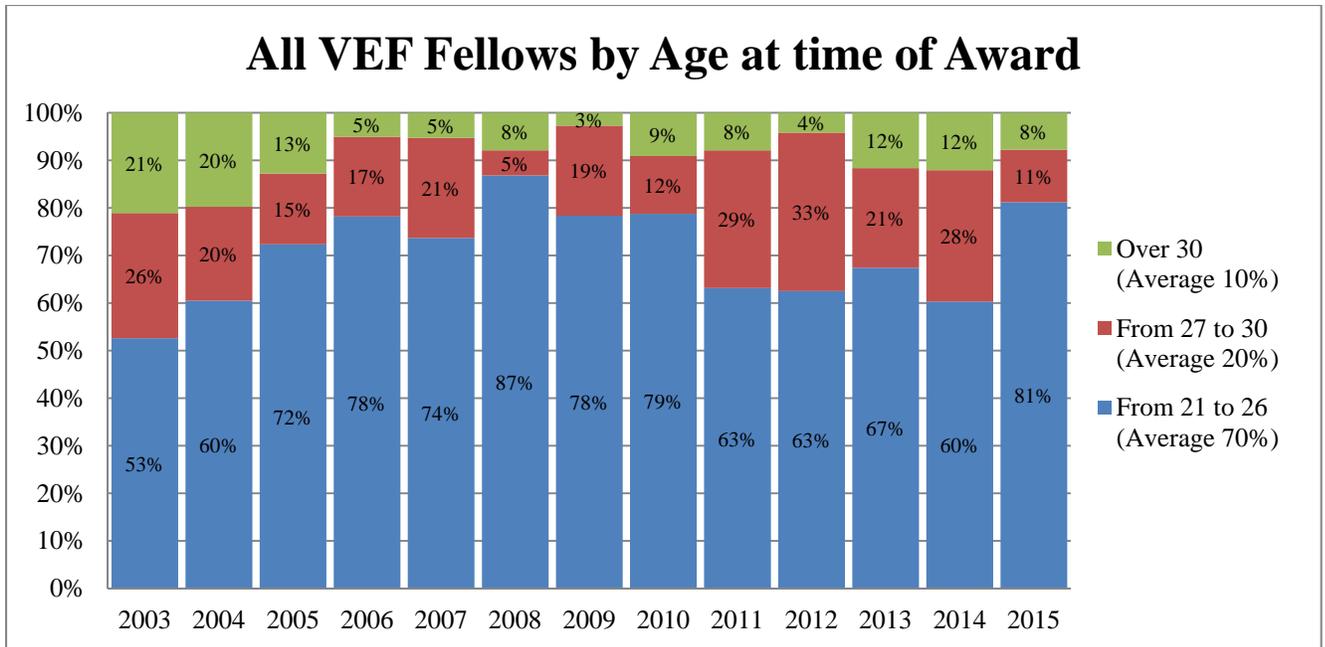


Chart 9: Age of VEF Fellows when Awarded

Origin in Vietnam

Vietnam can be divided into three regions (North, Center, and South), according to the Statistics Directory of 2009, issued by the General Statistics Office of Vietnam. The North includes the Red River Delta (11 provinces) and Northern mountainous areas (14 provinces). The Center includes the Northern Central areas and coastal areas in the Center (14 provinces) and the Highlands (5 provinces). The South includes the South Eastern areas (6 provinces) and the Mekong Delta (13 provinces).

While the distribution has varied from year to year, the overall majority of Fellows (54%) were from the North, 25% are from the Center and the rest are from the South (22%) (see Chart 10). Since 2008, the number of Fellows from both the Center and the South has increased significantly. Notably, in 2012 and 2014, the majority of Fellows were from the Center and the South, 35% and 40% respectively. As already mentioned, VEF has made a strong effort to achieve equal representation of Fellows throughout the country by extensive outreach activities in these regions and by giving priority to applicants from the Center and the South, provided that all other qualifications were equal.

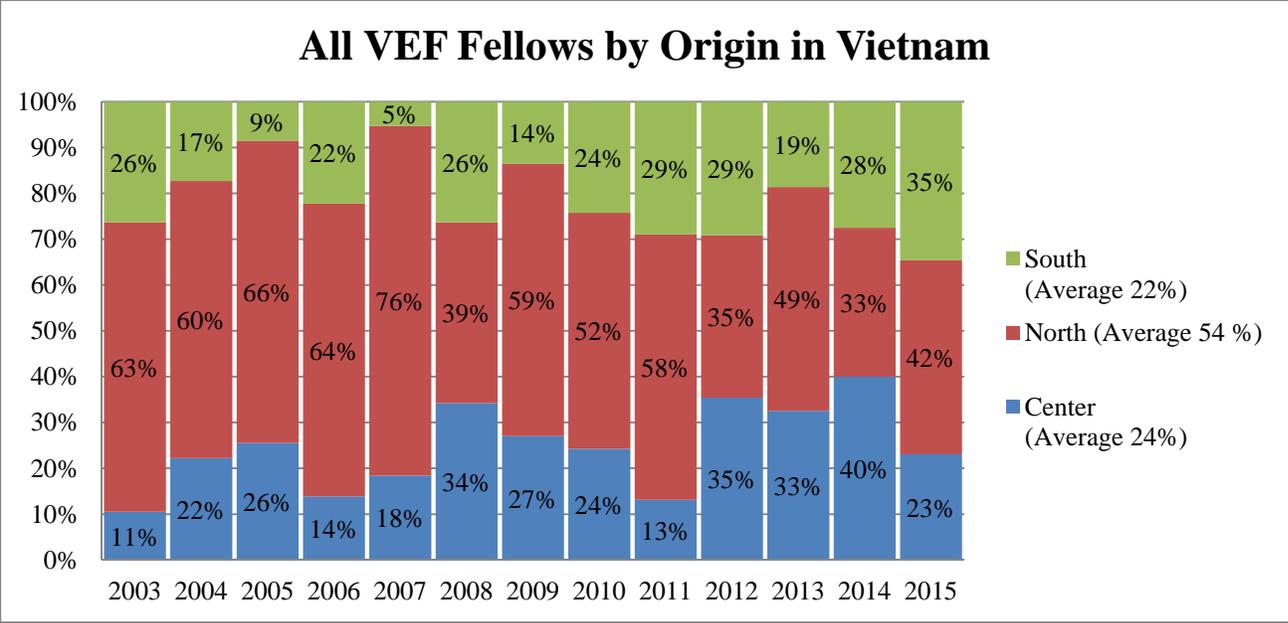


Chart 10: All VEF Fellows by Origin in Vietnam

As a cost-sharing arrangement between VEF and the U.S. host university, VEF pays an annual grant of \$27,000 to the university for each Fellow for each of the first two years. In exchange, the university provides all required tuition, fees, health insurance, and a monthly stipend for 12 months each year. The stipend must be equal to what a typical graduate student in the specific department would receive. If the monthly stipend is not sufficient to cover required books and equipment, the university provides an appropriate supplementary allowance to the Fellow. By the third year of a graduate program, the Fellow is expected to be fully supported by the university through assistantships or other university funding.

In addition, VEF provides an annual Professional Development Grant (PDG) to Fellows in the amount of \$1,000 per year to all Fellows for the first two years.

VEF provides additional financial support for each Fellow as follows:

1. All costs related to the Pre-Departure Orientation conducted in Vietnam by VEF, costs for the visa application (if any), and costs for a physical exam and inoculations that are required by the U.S. university, most of which are completed in Vietnam prior to departure to the United States.
2. Economy-class airfare from Vietnam to the primary airport nearest the Fellow's university and return economy-class airfare to Vietnam at the end of the Fellow's academic program.

3. Settling-in allowance of \$500 transferred through the U.S. host university to help cover personal incidental expenses in the United States.
4. Temporary medical emergency insurance for 30 days, which begins on the day of the Fellow's departure from Vietnam and serves as interim insurance until the Fellow is able to secure more permanent health or medical insurance required of all international students in the United States.

VEF Fellowship Graduates

As of September 30, 2015, 337 Fellows had completed their degree programs; among these graduates, 47 are doing their Academic Training in the United States and 290 Fellows have completed the program under VEF sponsorship. VEF Fellowship Alumni makes up 55% of all Fellows (290/547) as of this date. The degrees obtained by these 290 Alumni are as follows: 193 doctorates (67%) and 97 master's degrees (33%). The Alumni are pursuing various interests, which can be summarized as follows:

- 233 (80%) are working in the following sectors: 107 (46%) work in the academic and research sector; 75 (32%) work in the corporate sector; 26 (11%) head their own private companies or are self-employed; 18 (8%) work in the development sector; and 7 (3%) work for the civil service.
- 22 (8%) are continuing doctoral study with other sources of funding.
- 28 (10%) have just returned to Vietnam and are pursuing employment opportunities.
- 7 (2%) are currently in the United States on visa types other than J-1.

The figure chart below presents further data on the sectors of employment of VEF Fellowship alumni.

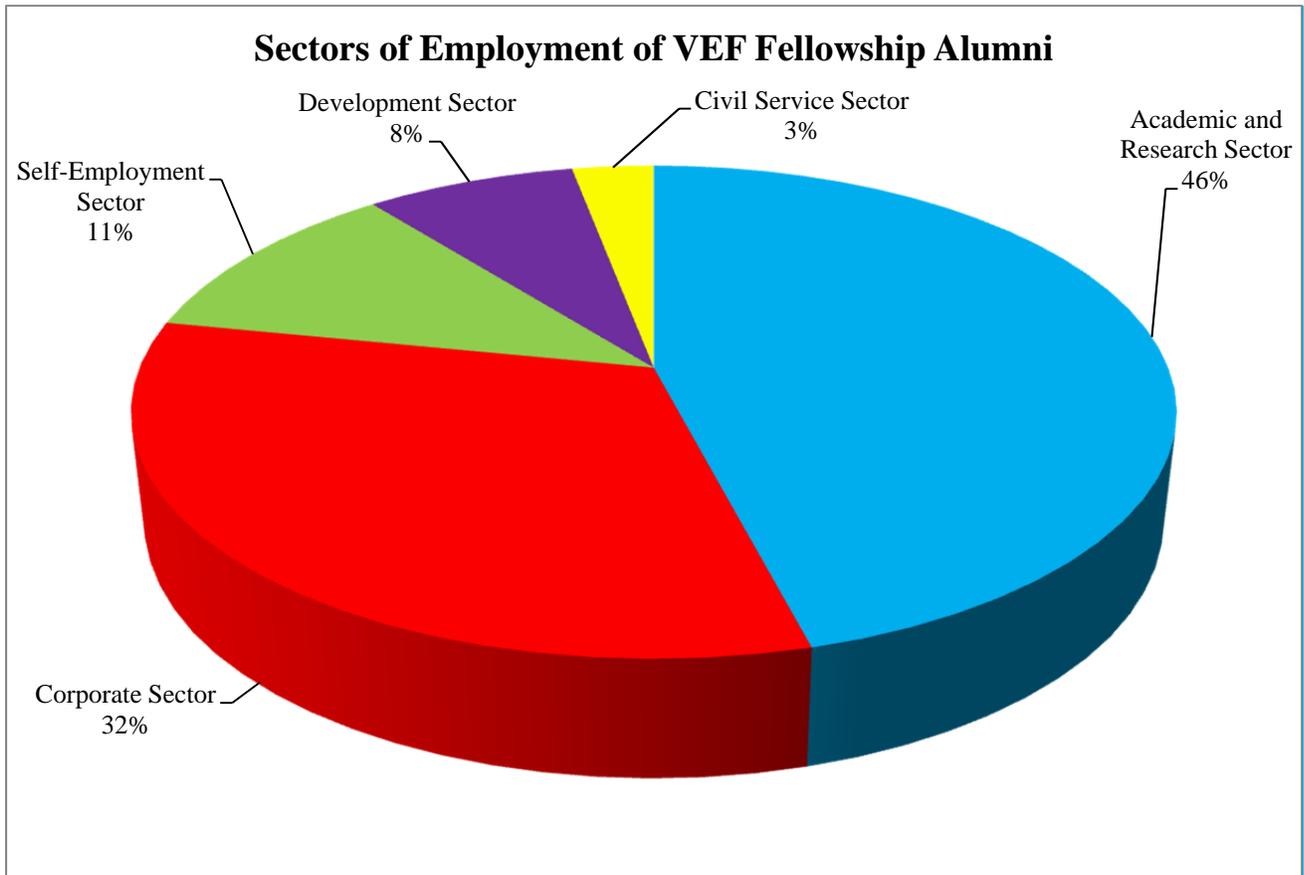


Chart 11: Sectors of Employment of VEF Fellowship Alumni

Visiting Scholar Program

Now in its ninth year, the VEF Visiting Scholar Program has placed 50 Scholars at 38 major U.S. universities since 2007. The Visiting Scholar Program supports Vietnamese nationals, who have been awarded Ph.D. degrees in STEMM fields, with short-term professional development opportunities at U.S. academic institutions. The professional development may include studies, research, or observational activities carried out at an appropriate U.S. academic or research institution. These self-designed programs, arranged under the guidance of U.S. professors serving as mentors, are between 5 and 12 months in length and may include formal courses, workshops, seminars, laboratory or field research, and other types of professional development activities. Upon return to Vietnam, the Visiting Scholar must use the knowledge and skills acquired in the United States to train others. Thus, the Visiting Scholar Program is considered a “training-of-trainers” (TOT) program.

Selection of Visiting Scholar (VS) applicants is highly competitive and based on the following criteria:

- Academic and professional merit of the candidate
- Quality of the proposed professional development program
- Expected outcomes
- Breadth of the proposed TOT activities upon return to Vietnam
- Potential of future contributions to Vietnam

The U.S. host institution must formally accept the Visiting Scholar's proposed professional development plan and provide logistical support, though financial support is not expected. The applicant's home institution in Vietnam must allow the Visiting Scholar to be absent during the proposed period of time to pursue the professional development program in the United States.

VEF has awarded 50 Visiting Scholar grants since 2007 as follows:

- 2007: 12 Visiting Scholars
- 2008: 7 Visiting Scholars
- 2009: 7 Visiting Scholars
- 2010: 3 Visiting Scholars
- 2011: 3 Visiting Scholars
- 2012: 6 Visiting Scholars
- 2013: 4 Visiting Scholars
- 2014: 4 Visiting Scholars
- 2015: 4 Visiting Scholars

A quick sketch of the demographics of the 2007-2015 cohorts of Visiting Scholars shows that the Visiting Scholars are primarily from the northern region of Vietnam and in the age group of 36 to 45. Here is a brief summary of the eight cohorts of Visiting Scholars:

- The primary fields of specialization are engineering, biological and biomedical sciences, and physical sciences.
- The majority (60%) are male, while 40% are female.
- Their regions of origin in Vietnam are distributed as follows: 58% from the North and the remaining 42% from the Center (20%) and the South (22%).
- The ages of Visiting Scholars range from 26 to 63 years old. The majority (42%) are in the age group between 36 and 45 while the youngest age group (26 to 35 years old) comprises 32%, and the 46 to 63 age group makes up 26%.

U.S. Faculty Scholar Program

The U.S. Faculty Scholar Program was developed with three main goals in mind:

- ✓ To help build capacity in Vietnam in science, engineering, mathematics, medicine, and technology through teaching and related research activities
- ✓ To help Vietnamese institutions address specific educational needs, including curriculum development, integration of research opportunities, identification of student learning outcomes, and evaluation
- ✓ To build positive relationships between U.S. and Vietnamese higher education institutions and faculty members that may lead to sustainable partnerships

The U.S. Faculty Scholar teaches one or more courses in English for one or two terms (fall and/or spring) at a Vietnamese university or universities. The teaching can be on site in Vietnam or by interactive, real-time videoconferencing from the United States. In the latter case, the Faculty Scholar must visit and teach at the Vietnamese host institution(s) for at least one week at the beginning and one week at the end of the teaching program. While VEF serves as the organizer and sponsor for this project, the Vietnamese host institution(s) and the cooperating U.S. institution collaborate with the Scholar in order to deliver a successful course.

An applicant for the U.S. Faculty Scholar grant must submit a proposal to VEF through an online application. The call for proposals for the U.S. Faculty Scholar grants was advertised widely throughout the United States and Vietnam through print media as well as by email notification to VEF contacts, program participants, and VEF Alumni.

VEF is the organizer and sponsor of this project while the Faculty Scholars work in cooperation with the Vietnamese and U.S. institutions. VEF invites renowned U.S. scientists and academics to conduct the technical review of qualified proposals and recommends finalists for a final telephone interview, which is conducted by U.S. professors or former U.S. Faculty Scholars and senior VEF staff.

Under the U.S. Faculty Scholar Program that started in 2008, 42 U.S. Faculty Scholar grants⁶ have been awarded for 34 U.S. professors to teach courses at 26 Vietnamese universities and research institutions.

⁶ Some U.S. Faculty Scholars have successfully competed for and received more than one grant.

- 2008: 4 Faculty Scholar grants
- 2009: 2 Faculty Scholar grants
- 2010: 6 Faculty Scholar grants
- 2011: 5 Faculty Scholar grants
- 2012: 9 Faculty Scholar grants
- 2013: 11 Faculty Scholar grants
- 2014: 2 Faculty Scholar grants
- 2015: 3 Faculty Scholar grants

The primary fields of teaching programs are public health, engineering, and computer science. On average to date, 56% of the courses taught have been at the graduate level and 44% at the undergraduate level. The teaching models presented in Chart 12 below show that most of the Faculty Scholars (58%) conduct their programs via videoconferencing from the United States.

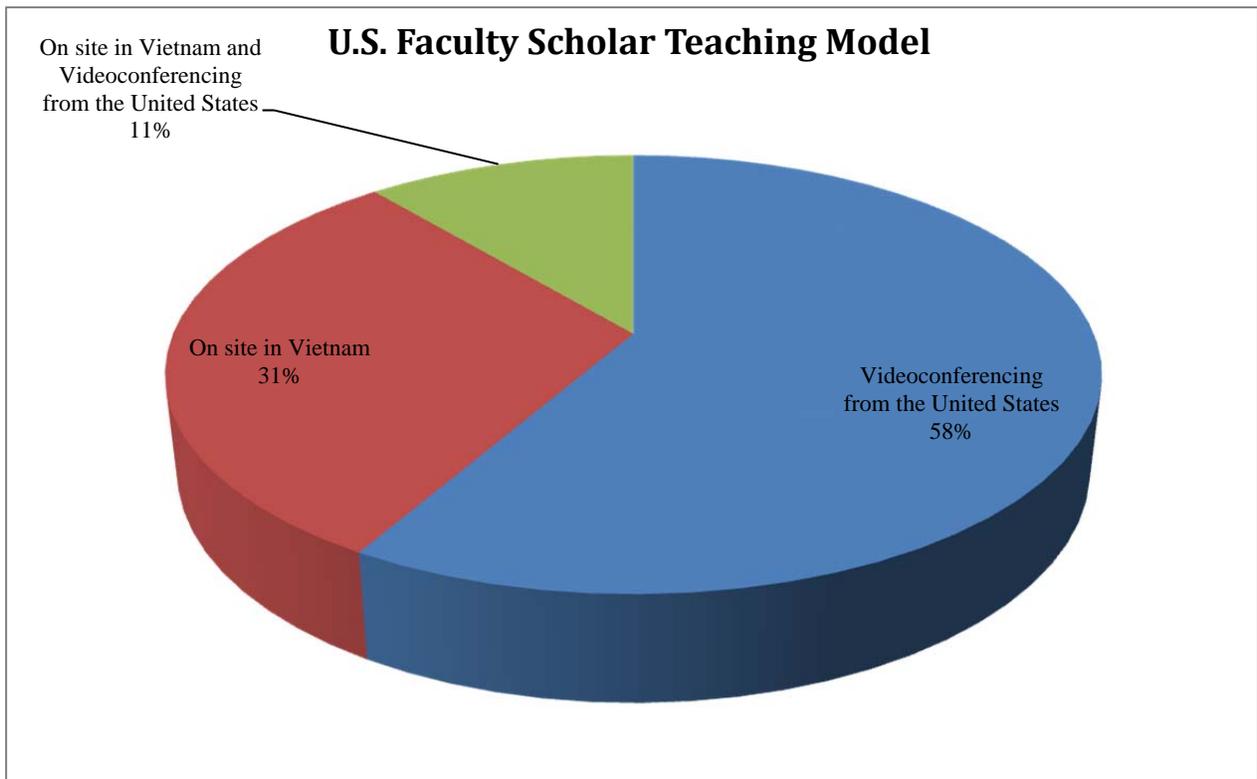


Chart 12: U.S. Faculty Scholar Teaching Model

Capacity Building Activities

To complement its educational exchange programs, VEF engages in a limited number of activities that build the scientific and technological capacity of Vietnam. VEF capacity-building efforts focus on activities that do the following: (1) promote science and technology initiatives;

(2) build the relationship between U.S. and Vietnamese institutions and government entities; and (3) help to lay the foundation for the return of VEF Fellows and Visiting Scholars to their home country. While some earlier capacity-building activities (such as workshops and seminars) were meant to address the legislative mandate for Americans to teach at Vietnamese institutions, the U.S. Faculty Scholar Program now fulfills that mandate. VEF is interested in assisting in the development of scientific infrastructure through this program and potentially in other ways as well.

To strengthen science and technology in Vietnam and to foster opportunities for collaborative exchanges between the United States and Vietnam, VEF has organized the following activities.

- **80** scientists from **58** U.S. institutions delivered **197** lectures/presentations at **66** Vietnamese host institutions
- **11** seminars or workshops presented in Vietnam by **29** experts, representing **16** U.S. educational organizations
- **3** major research reports on higher education in Vietnam: (1) *Observations on Undergraduate Education in Computer Science, Electrical Engineering, and Physics at Select Universities in Vietnam* (August 2006); (2) *Observations on the Current Status of Education in the Agricultural Sciences in Vietnam* (January 2007); and (3) *Observations on the Current Status of Higher Education in Agricultural Sciences, Civil Engineering, Computer Science, Electrical Engineering, Environmental Sciences, Physics, and Transport and Communications at Select Universities in Vietnam* (July 2014)
- Special projects were initiated and/or developed by VEF, including:
 - (1) Millennium Science Initiative (MSI): To establish Centers of Excellence in Vietnam in science and technology in cooperation with the Institute for Advanced Study (Princeton, NJ) and the Science Initiative Group (2004 – 2006). Initiated at the request of the Ministry of Science and Technology (MOST).
 - (2) World Class University (International Standard University) development in Vietnam: Facilitating visits by leading U.S. universities (2006). Initiated at the request of the Ministry of Education and Training (MOET).
 - (3) Vietnam Fund for Supporting Technological Creations (VIFOTEC): Encouraging creativity in the sciences and technology in Vietnam (2006, 2007) in cooperation with MOET.

- (4) Conferences in Vietnam: Young Vietnamese Scientists Meeting (June 2005, July 2007); International Biomedical Engineering Conference (July 2007); and Open Course Ware Consortium (OCWC) Global Meeting (May 2010).
 - (5) Vietnam Open Course Ware (VOCW) project in Vietnam: A repository of high quality, up-to-date teaching and learning materials, available free as open educational resources. VEF successfully transferred its responsibilities for the VOCW program to MOET in January 2010. The project began in 2005.
 - (6) Creative Commons License (CCL): Enabled Vietnam to facilitate recognition of intellectual property rights related to VOCW, while the CCL serves all forms of creativity. VEF transferred its responsibilities in 2010 to Creative Commons International and a Vietnamese law firm, D&N International.
- At their request, VEF assisted the Vietnam International Education Development (VIED) division of MOET in the following ways: (1) Assistance in developing an online fellowship application and in running a transparent selection process; (2) Invitations made to VIED staff to observe VEF operations and procedures during interviews and orientations; and (3) Introductions made to U.S. universities, who are members of the VEF Alliance.
 - VEF assisted the National Foundation for Science and Technology Development (NAFOSTED) of MOST to develop an Online Management System.
 - At the request of the former U.S. Ambassador Michael Michalak, together with the U.S. Embassy in Hanoi and MOET, VEF co-organized and co-sponsored, the 4th Annual Education Conference in Vietnam in April 2011 to strengthen higher education ties between the United States and Vietnam.

International educational exchange builds bridges between countries and people, contributing to global peace, tolerance, and understanding. As scientists and engineers, the VEF Fellows, Visiting Scholars, and Faculty Scholars are contributing to a mutually beneficial relationship between Vietnam and the United States that will continue far into the future.

Appendix 1: 2015 VEF Fellows

Twenty-five VEF Fellows were awarded the VEF Fellowships to begin graduate study in the United States in the fall of 2015 and one to begin in the spring of 2016.

#	LAST	Middle	First	Sex	University	Degree Sought	Admitted Major
1	BUI	Ai	Van	F	Northern Illinois University	Master's	Biological Sciences
2	HA	Quang	Hung	M	Indiana State University	Master's	Geography
3	LE	Thi Ngoc	Huong	F	University of Arkansas	Master's	Cell & Molecular Biology
4	NGUYEN	Dang Mai	Chuyen	F	University of Massachusetts Amherst	Master's	Civil & Environmental Engineering
5	NGUYEN	Duc Minh	Khoi	M	Oregon State University	Ms/PHD	Computer Science
6	NGUYEN	Ha	Dang	M	Pennsylvania State University	Master's	Horticulture
7	NGUYEN	Hoang	Vu	M	University of Utah	MS/PhD	Chemistry
8	NGUYEN	My	Thuy	F	University of Mississippi	Master's	Biological Sciences
9	NGUYEN	Quoc	Toan	M	University of Notre Dame	MS/PhD	Computer Science & Engineering
10	NGUYEN	Thai	Hoang	M	Northwestern University	MS/PhD	Theoretical & Applied Mechanics
11	NGUYEN	The Truong	Phong	M	University of Texas at Austin	MS/PhD	Civil Engineering
12	NGUYEN	Thi Thu	Thuy	F	Arizona State University	MS/PhD	Civil, Environmental & Sustainable

							Engineering
13	PHAM	Luong	Thang	M	Louisiana State University Health Science Center	MS/PhD	Neuroscience
14	PHAM	Thu	Huong	F	University of Arkansas	MS/PhD	Civil Engineering
15	PHAM	Tran Xuan	Minh	M	University of Southern California	MS/PhD	Computer Science
16	PHAN	Dang	Hung	M	Iowa State University	MS/PhD	Computer Engineering
17	PHAN	Thanh	Ngoc	F	Pennsylvania State University	MS/PhD	Entomology
18	PHAN	Thi	Thu	F	University of Minnesota	Master's	Chemical Engineering
19	TA	Trung	Kien	M	University of Texas at Arlington	Master's	Electrical Engineering
20	THAI	Nhu	Thuy	F	University of Georgia	MPH	Public Health
21	TRAN	Phuc	Thanh	M	Michigan State University	Master's	Materials Science & Engineering
22	TRAN	Quang	Duc	M	University of Utah	MS/PhD	Civil Engineering
23	TRAN	Thi Bich	Lieu	F	Oregon State University	MPH	Public Health
24	TRAN	Thuy	Dung	F	University of Georgia	Master's	Plant Breeding Genetics & Genomics
25	VU	Minh	Nguyen	F	University of Michigan	MS/PhD	Materials Science & Engineering
26	VU	Thi	Hoa	F	Rutgers University	MS/PhD	Microbial Biology

Appendix 2:

2015 VEF Visiting Scholars

#	Name (LAST Middle First)	Gender	Residence in Vietnam	Field of Expertise	Position	Vietnam Home Institution, Location	U.S. Host Institution, Location	Training Dates (mm/dd/yyyy)	Description of Training Program
1	BAO Huy	M	Dak Lak	Forestry	Associate Professor, Lecturer	Tay Nguyen University	Oregon State University	8/1/2015 to 7/31/2016	Research on forest carbon sequestration to mitigate climate change
2	NGUYEN Tuan Anh	M	Ho Chi Minh City	Industrial Engineeri ng	Vice President	Nguyen Tat Thanh University	Purdue University	8/1/2015 to 12/31/2015	Establishing a new Industrial Engineering program in Vietnam
3	TRAN Minh Hieu	M	Hanoi	Physics	Lecturer	Hanoi University of Science and Technology	University of Alabama	9/1/2015 to 8/31/2016	Research in Theoretical Physics: On the theoretical and phenomenological aspects of extensions of the standard model of elementary particles and their interactions
4	TRAN Minh Triet	M	Ho Chi Minh City	Computer Science	Deputy Department Head	University of Science, Vietnam National University, Ho Chi Minh City	University of Illinois at Urbana- Champaign	9/14/2015 to 2/16/2016	Research in Computer Science: Smart interactive environment with visual information and deep learning

Appendix 3: 2015 VEF U.S. Faculty Scholars

The U.S. Faculty Scholars are listed alphabetically by last (family) name.

#	Full Name	Title, U.S. Home University	Area of Expertise	Vietnamese Host Institution(s), Location	Course Title(s)	Level of Teaching	Teaching Model	Period of Teaching
2	Han Paul BAO	Professor, Old Dominion University	Mechanical Engineering	Can Tho University	Engineering Design	Undergraduate	Face-to-face	Spring 2016
1	Herbert COVERT	Professor, University of Colorado, Boulder	Conservation biology, primate evolutionary biology, biological anthropology	Vietnam National University Ho Chi Minh City - University of Science	Animal Behavior in the 21st Century	Graduate	Face-to-face	Spring 2016
3	Long Huu NGO	Associate Professor, Beth Israel Deaconess Medical Center, Harvard Medical School	Biostatistics	Hue University of Medicine and Pharmacy	Biostatistics in Public Health Research	Graduate	Video-conferencing from the U.S.	Fall and Spring 2015 to 2016

Appendix 4:

2015 U.S. Interview Panel for VEF Oral Exam/Interview Mission

The following ten U.S. scientists and professors, listed alphabetically by last (family) name, were recruited to serve on interview panels conducted in Vietnam in July-August 2015 to select the candidates among the finalists for the VEF Fellowship and Visiting Scholar programs.

Dr. J. Scott Angle, Dean
School of Agricultural and Environmental
Sciences
University of Georgia

Dr. Mary Beth Hueste, Professor
Zachry Department of Civil Engineering
Texas A&M University

Dr. Mary Jane Irwin, Co-Director:
Microsystems Design Lab (MDL)
Robert E. Noll Professor
Evan Pugh Professor
Pennsylvania State University
Member, National Academy of Engineering

Dr. Gina Lee-Glauser, Vice President for
Research
Research Professor of Mechanical and
Aerospace Engineering
Syracuse University

Dr. Stephen L. Mayo, Bren Professor of
Biology and Chemistry
William K. Bowes Jr. Leadership Chair
California Institute of Technology
Member, National Academy of Sciences

Dr. Gisele Muller-Parker
Program Director, NSFGRF Program
National Science Foundation

Dr. Mark Reed
Harold Hodgkinson Professor of Electrical
Engineering
School of Engineering & Applied Science
Yale University

Dr. Elba Serrano, Regents Professor of
Biology
Department of Neuroscience
New Mexico State University

Dr. Mary Lou Soffa
Owens R. Cheatham Professor
Department of Computer Science
University of Virginia

Dr. Thomas Truskett
Bill L. Stanley Leadership Chair in
Chemical Engineering
Les and Sherri Stuewer Endowed
Professorship in Chemical Engineering
University of Texas at Austin

Appendix 5:

Capacity Building Activities of U.S. Interviewers in Vietnam

SUMMARY: Ten U.S. professors, representing different U.S. academic institutions, were sponsored by VEF to interview VEF Fellowship and Visiting Scholar finalists in July-August 2015. Seven of them gave lectures or conducted scientific or specialized meetings at twelve host institutions or organizations in Vietnam including the National Foundation of Science and Technology (NAFOSTED) under the Ministry of Science and Technology (MOST). The activities took place in Hanoi and Ho Chi Minh City. The following table summarizes these capacity-building activities. Two general advising sessions for the public were held, one at the U.S. Embassy and the other at the U.S. Consulate, and eleven seminars or meetings were conducted at Vietnamese institutions and the office of MOST.

Advising Sessions for Public Audience: Panel Discussions					
No.	Topic & Date	Vietnamese Host Institution	Scientist, Title, Position	U.S. Affiliation	Field of Expertise
1	<i>How to Get into U.S. Graduate School Programs</i> <i>July 31, 2015</i>	EducationUSA Advising Center, U.S. Embassy in Hanoi	Dr. J. Scott Angle Dean, College of Agricultural and Environmental Sciences	University of Georgia	Soil Science and Agriculture
			Dr. Gisele Muller-Parker Program Director NSF Graduate Research Fellowship Program	National Science Foundation (NSF)	Oceanography and Biological Sciences
			Dr. Elba Serrano Regents Professor	New Mexico University	Neuroscience
			Dr. Mary Soffa Owens R. Cheatham Professor	University of Virginia	Computer Science

Advising Sessions for Public Audience: Panel Discussions

No.	Topic & Date	Vietnamese Host Institution	Scientist, Title, Position	U.S. Affiliation	Field of Expertise
2	<i>How to Get into U.S. Graduate School Programs</i> <i>August 6, 2015</i>	EducationUSA Advising Center, U.S. Consulate General in Ho Chi Minh City	Dr. J. Scott Angle Dean and Director, College of Agricultural and Environmental Sciences	University of Georgia	Soil Science and Agriculture
			Dr. Gina Lee-Glauser Vice President for Research	Syracuse University	Mechanical and Aeronautical Engineering
			Dr. Gisele Muller-Parker Program Director NSF Graduate Research Fellowship Program	National Science Foundation	Oceanography and Biological Sciences
			Dr. Elba Serrano Regents Professor	New Mexico University	Neuroscience

Seminars and Meetings with Faculty Members and Students, Meeting with MOST

1	<i>Meeting with the National Foundation for Science and Technology on NSF's Fellowship Program and Discussion on Matters of Mutual Interest</i> <i>July 28, 2015</i>	National Foundation for Science and Technology, Ministry of Science and Technology	Dr. Gisele Muller-Parker Program Director NSF Graduate Research Fellowship Program	National Science Foundation	Oceanography and Biological Sciences
2	<i>Computer Architecture and Design: Looking Back, Projecting Forward</i> <i>July 29, 2015</i>	Post and Telecommunication Institute of Technology	Dr. Mary Jane Irwin Evan Pugh Professor	Pennsylvania State University	Computer Science

Advising Sessions for Public Audience: Panel Discussions

No.	Topic & Date	Vietnamese Host Institution	Scientist, Title, Position	U.S. Affiliation	Field of Expertise
3	<i>Neuroscience Research Opportunities: The BRAiN Initiative and Interdisciplinary Collaborations</i> July 29, 2015	Vinmec International Hospital	Dr. Elba Serrano Regents Professor	New Mexico University	Neuroscience
4	<i>Warehouse Scale Computers: Opportunities and Challenges</i> July 29, 2015	Hanoi University of Science and Technology	Dr. Mary Soffa Professor	University of Virginia	Computer Science
5	<i>Prestressed Concrete Bridges – Solutions for Varying Span Lengths</i> (July 30, 2015)	National University of Civil Engineering, Hanoi	Dr. Mary Beth Hueste Professor	Texas A&M University	Structural Engineering
6	<i>Seismic Fragility Analysis and Loss Estimation for Concrete Structures</i> July 30, 2015	Vietnam Institute for Building Science and Technology	Dr. Mary Beth Hueste Professor	Texas A&M University	Structural Engineering
7	<i>Meeting with Administrators and Faculty</i> August 3, 2015	Department of Molecular and Environmental Biotechnology, University of Science, Vietnam National University, Ho Chi Minh City	Dr. J. Scott Angle Dean and Director, College of Agricultural and Environmental Sciences	University of Georgia	Soil Science and Agriculture

Advising Sessions for Public Audience: Panel Discussions

No.	Topic & Date	Vietnamese Host Institution	Scientist, Title, Position	U.S. Affiliation	Field of Expertise
		(VNU-HCMC)			
8	<i>Environmental change and coral reefs: Lessons from temperate algal symbioses</i> <i>August 3, 2015</i>	Oceanology, Meteorology and Hydrology Department, Faculty of Physics and Engineering Physics, VNU, HCMC	Dr. Gisele Muller-Parker Program Director Graduate Research Fellowship Program	National Science Foundation (NSF)	Oceanography and Biological Sciences
9	<i>Computer Architecture and Design: Looking Back, Projecting Forward</i> <i>August 3, 2015</i>	Hi-Tech Institute, Nguyen Tat Thanh University	Dr. Mary Jane Irwin Evan Pugh Professor	Pennsylvania State University	Computer Science
10	<i>Design and behavior of spliced continuous pre-stressed concrete slab-on-girder bridges</i> <i>August 6, 2015</i>	Ton Duc Thang University	Dr. Mary Beth Hueste Professor	Texas A&M University	Structural Engineering
11	<i>Meeting to discuss potential collaborations between Texas A&M and HCMC University of Transport in Civil Engineering</i> <i>August 6, 2015</i>	HCMC University of Transport	Dr. Mary Beth Hueste Professor	Texas A&M University	Structural Engineering

Appendix 6: Vietnam Education Foundation Board of Directors

PRESIDENTIAL APPOINTEES

- [Anhlan Nguyen, DBA](#) (Board Chair)
IT Portfolio Manager
University of Texas MD Anderson Cancer Center
- [Edmund J. Malesky, Ph.D.](#)
Associate Professor, Political Science
Duke University

EXECUTIVE BRANCH MEMBERS

- [John Forbes Kerry](#)
U.S. Secretary of State
- [John B. King, Jr., Ed.D., J.D.](#)
U.S. Secretary of Education
- [Jacob J. Lew](#)
U.S. Secretary of the Treasury

LEGISLATIVE BRANCH MEMBERS

- [Richard Blumenthal](#)
U.S. Senate
- [Joseph R. Pitts](#)
U.S. House of Representatives
- [Loretta Sanchez](#)
U.S. House of Representatives
- [Senator David Vitter](#)
U.S. Senate

Appendix 7:

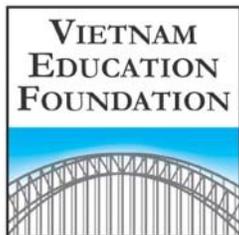
Staff of the Vietnam Education Foundation as of 9/30/2015

U.S. Staff:

- Sandy Hoa Dang, Executive Director
- Sandarshi Gunawardena, Senior Program Officer
- Margaret Petrochenkov, Program Officer

Hanoi Contractors:

- Hanh Bui, Program Manager
- Phuong Anh Dang, HR and Administration Specialist
- Hanh Huy, Program Assistant
- Tu Ngo, IT and Data Director
- Cuong Nguyen, Program Assistant
- Phuong Thi Thanh Nguyen, Country Director
- Hang Trinh, Executive Assistant to Country Director

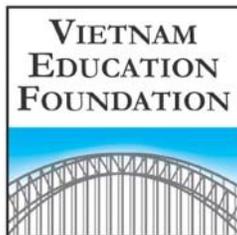


Fiscal Year 2015

Agency Financial Report

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2111 Wilson Boulevard, Suite 700, Arlington, VA 22201 • www.vef.gov • Phone 703-351-5053

Message from the Executive Director

Sandy Hoa Dang
Executive Director

Board of Directors

Anhlan P. Nguyen, D.B.A.
Chair
IT Portfolio Manager University
of Texas
MD Anderson Cancer Center

Richard Blumenthal
U.S. Senator

John B. King, Jr., Ed.D., J.D.
U.S. Secretary of Education

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U.S. Secretary of State

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Associate Professor, Political
Science
Duke University

Joseph R. Pitts
U.S. Congressman

Loretta Sanchez
U.S. Congresswoman

David Vitter
U.S. Senator

Congress passed the Vietnam Education Foundation (VEF) Act of 2000 to promote closer relations between the United States and Vietnam through educational exchange. Title II of the Act established VEF as an independent federal agency to focus on creating educational exchange opportunities for Vietnamese nationals to pursue graduate and post-graduate studies in the sciences and engineering in the United States. VEF concentrates on two main activities: (1) fellowships and grants for Vietnamese and U.S. nationals; and (2) capacity building in Vietnam to encourage Vietnamese graduates and academics to return home.

Since operations began in 2003, VEF has developed and implemented a cost-sharing arrangement with 107 U.S. universities to provide fellowships to 548 Vietnamese students and 50 Vietnamese scholars. In addition, VEF has awarded 42 fellowships for American professors to teach at Vietnamese universities as part of its U.S. Faculty Scholar Program. Furthermore, VEF has sponsored capacity building activities to address the needs of higher education in Vietnam. FY 2015 was the last year when VEF could recruit the brightest students and scholars to participate in VEF's Fellowship and Visiting Scholar Programs since we are approaching the legislatively mandated sunset of VEF.

With this letter, I submit the VEF's Fiscal Year 2015 Performance and Accountability Report, including financial program performance results. Over the past two years, VEF has corrected the majority of the recommendations made by our auditor. The recommendations pertained primarily to strengthening controls surrounding VEF's financial management and information technology. Accordingly, VEF can provide reasonable assurance that the agency is in substantial compliance with the Federal Managers' Financial Integrity Act of 1982. VEF re-evaluated its internal controls to comply with federal laws and regulations, which resulted in the auditor's comment that our current internal controls over financial reporting are operating effectively to provide reliable financial reporting. No material weaknesses were identified and the

financial management system was found to conform with government financial system requirements. In accordance with OMB Circular A-123, Appendix C, no improper payments were made. An independent, certified public accountant audited VEF's financial statement, internal controls, and management systems and verified that they conform to generally accepted account principles (GAAP), laws, regulations, and requirements.

As VEF prepares for the closing of its Hanoi Office in 2016 and the United States Headquarters in 2018, we continue to identify new ways of utilizing our resources effectively and prioritizing our activities to maximize impact, as well as to advance VEF's mission. VEF continues its mission to empower the next generation of Vietnamese students and scholars to succeed and to advance U.S.-Vietnam relations.

Sincerely,



Sandy Hoa Dang
Executive Director

Management’s Discussion and Analysis

Background

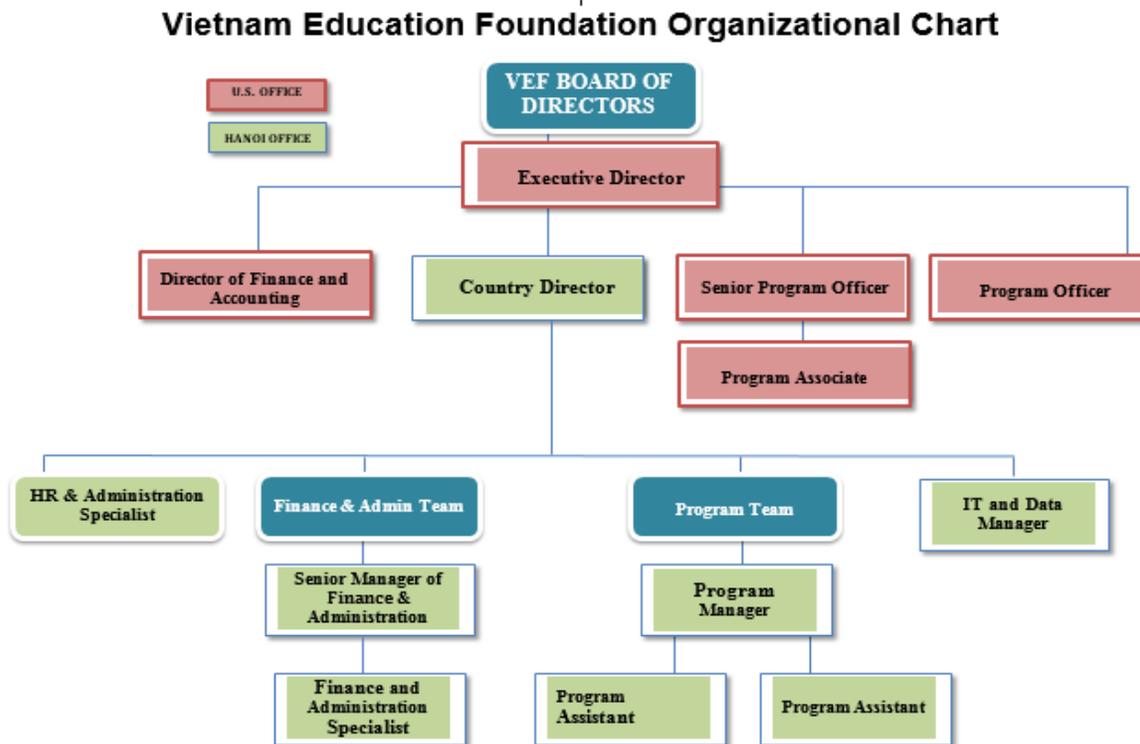
The Vietnam Education Foundation (VEF), an independent federal agency created by the U.S. Congress in December 2000, is funded through the Vietnam Debt Repayment Fund, which is described in Sections 203, 206, and 207 of the Vietnam Education Foundation Act (U.S. Public Law 106-554). VEF is authorized to award Fellowships and grants on a cost-sharing basis, Section 206 (d), and to “receive money and other property donated, bequeathed or devised,” Section 209 (a) (2). The Foundation has a 2018 sunset.

Foundation Structure

VEF is governed by a Board of Directors, including the Secretaries of State, Treasury, and Education, all of whom have ongoing appointments on the Board; two U.S. Senators and two U.S. Representatives, who have six-year non-renewable appointments; and six Presidential appointees on three-year renewable terms. The Executive Director is selected by the VEF Board of Directors.

During FY 2015, VEF averaged 5 full-time employees (FTEs) in Arlington, Virginia. These positions are as follow: (1) Executive Director; (2) Director of Finance and Accounting; (3) Senior Program Officer; (4) Program Officer; and (5) Program Associate. VEF also has a staff of seven contractors in Hanoi, Vietnam.

Organizational Chart



VEF Vision, Mission, and Strategic Goals

Vision

VEF is an educational exchange program initiated by the Government and the people of the United States to promote closer relations between the United States and Vietnam by providing opportunities for Vietnamese nationals to pursue graduate and post-graduate studies in the United States in the science, technology, engineering, mathematics, and medicine (STEMM), and for American citizens to teach in the same fields of study at Vietnamese universities.

Mission

Per Public Law 106-554, which is based on legislation passed by the United States Congress on December 20, 2000, it is the mission of the Vietnam Education Foundation (VEF) to:

1. Establish an international fellowship program through which Vietnamese nationals can undertake graduate and post-graduate level studies in the sciences (natural, physical, and environmental), mathematics, medicine, and technology (including information technology) in the United States; and United States citizens can teach in the fields specified above at academic institutions in Vietnam.
2. Further the process of reconciliation between the United States and Vietnam and the building of a bilateral relationship serving the interests of both countries.

Strategic Goals

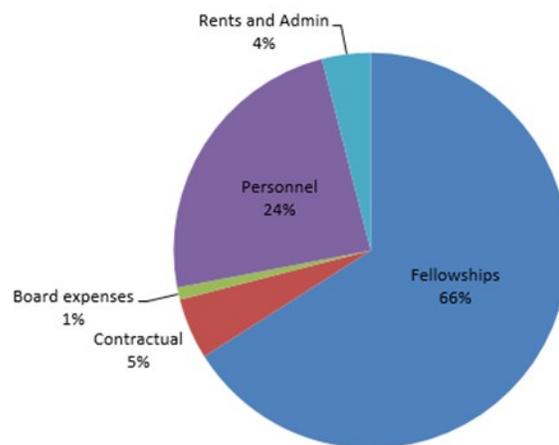
- Goal 1:** Establish and maintain an excellent relationship with U.S. educational institutions in order to leverage cost-sharing and maximal financial contributions and other support for VEF Vietnamese students studying in graduate STEMM programs in the United States.
- Goal 2:** Establish networks among Fellows, Scholars, and other academics in the United States and Vietnam to facilitate scientific capacity for Vietnam and further collaborations with the United States.
- Goal 2:** Engage Vietnamese institutions to encourage their best students and scholars to apply for VEF funding and to welcome them back with greatly increased salaries, laboratory facilities, and development opportunities after receipt of graduate degrees.
- Goal 3:** Foster positive relationships with U.S. and Vietnamese National Leaders to maximally leverage the leadership opportunities for VEF program alumni.

To accomplish its goals, VEF administers educational exchange of the following programs: (1) Fellowship Program, which sends Vietnamese nationals (VEF Fellows) to the United States for graduate study; (2) Visiting Scholar Program, which supports Vietnamese nationals (VEF Visiting Scholars), who already hold a doctorate, to further develop their professional skills via studies, research, or observational activities at leading U.S. academic institutions; and (3) U.S. Faculty Scholar Program, which provides grants to American professors (U.S. Faculty Scholars) to teach classes at Vietnamese universities either onsite or via teleconferencing from the United States. In addition, VEF organizes the following: (1) Annual Fellows and Scholars Conference in the United States; and (2) Pre-Departure Orientation for Fellows and Visiting Scholars.

Overview of VEF's Performance in FY2015

Annual appropriations and distribution of funds

Beginning in 2002, and in each subsequent year through 2018, VEF receives a mandatory appropriation of \$5 million; funds not spent in one year are available to be spent in subsequent years. In FY 2015, VEF was impacted by government-wide budget cuts under sequestration of 7.2 percent. Approximately 66.0 percent of total budget was used for grants, fellowships, onboarding, and travel requirements for Fellows, Visiting Scholars, and U. S. Faculty Scholars. For staff salaries and benefits approximately 24.0 percent was used, 5.0 percent for contractual services, 4.0 percent for rent and administration, and approximately 1.0 percent for Board Member expenses and Outreach Activities (Figure 1).



Given the funding received, VEF was able to accomplish the following during FY 2015:

Pre-Departure Orientation

To meet the requirements of the U.S. Department of State Exchange Visitor Program, VEF provides a Pre-Departure Orientation (PDO) for all new VEF Fellows and Visiting Scholars prior to their departure from Vietnam. The postdoctoral Visiting Scholars are able to network with VEF Fellows, and this contact is expected to continue when both groups return to Vietnam. PDO experiential activities were organized to give the Fellows and Visiting Scholars self-confidence in situations that mirror what they might encounter in the transition to a new culture and environment in the highly competitive American academic environment.

Alumni Conference in Vietnam

Due to financial constraints, VEF is no longer organizing Alumni Conferences in Vietnam. However, this initiative is continuing without VEF funding since the Fellows themselves have begun organizing their own annual conference. Alumni Conferences allow for VEF Fellows and Scholars, who have returned to Vietnam, to make plans for future projects, grants, and collaborations. Such an outcome demonstrates the value and sustainability of VEF's conferences.

Annual Report

The FY 2014 Annual Report required in the founding legislation, was sent to the President and Congress and posted on the VEF website in October of 2015. The report provides full information on VEF Fellows, Scholars, and all other activities undertaken by VEF in FY2014.

Outreach

Capacity Building

Although VEF now focuses primarily on exchange programs, many projects that contribute to the scientific capacity building in Vietnam have been sponsored. In particular, the professors who travel to Vietnam to interview Fellow and Scholar applicants, also give talks and seminars, and meet with many Vietnamese faculty and students. A panel of professors gave a large presentation on “How to Apply to Graduate School in the United States” in Hanoi and in Ho Chi Minh City at EducationUSA.

FY2015 Performance

1. Based on the recommendations of the interviewers and on the deliberations of the VEF Board of Directors, VEF awarded 26 Fellowships, 4 Visiting Scholar grants, and 3 U.S. Faculty Scholar grants.
2. In June of 2014, VEF conducted a Pre-Departure Orientation for all the Fellows and Scholars who were planning to travel to the United States to undertake study beginning in the summer or fall 2014. All 26 of the Fellows and the 4 Visiting Scholars, who were selected in FY 2014, attended this event.
3. In July and August of 2015, VEF arranged for 10 prominent U.S. professors to travel to Vietnam in order to interview the Fellowship and Visiting Scholar applicants. They recommended 32 Fellows and 33 Alternates in the Fellowship Program, and 4 Visiting Scholars. These professors also gave talks on their research and on how to get into graduate school at EducationUSA in both Hanoi and Ho Chi Minh City.

Annual Conference

The 12th Annual Conference of VEF Fellows and Scholars was cancelled for FY2015, but will be held in March of 2016. The conference allows Fellows and Scholars to develop networks for future research and collaboration and also prepares them to work together when they return to Vietnam.

Analysis of Financial Statements

VEF prepares annual financial statements in accordance with U.S. generally accepted accounting principles (GAAP) for Federal government entities and subjects the statements to an independent audit to ensure their integrity and reliability in assessing performance. The financial statements and notes are presented on a comparative basis in the required format in accordance with OMB Circular A-136, *Financial Reporting Requirements*.

The following table summarizes the significant changes in VEF's financial position, net costs of operations, and budgetary resources between the end of FY 2015 and the end of FY 2014:

Financial Condition	FY 2015 Balance	FY 2014 Balance	Increase/ (Decrease)	Percentage Difference
Total Assets	\$3,648,866	\$2,700,397	\$948,469	35.1%
Total Liabilities	\$55,969	\$117,593	(\$61,624)	(52.4%)
Net Position	\$3,592,897	\$2,582,804	\$1,010,093	39.1%
Net Cost of Operations	\$3,644,613	\$4,638,091	(\$993,478)	(21.4%)
Budgetary Resources	\$7,344,112	\$7,241,375	\$102,737	1.4%

Below is a brief description of the nature of each required financial statement and its relevance. Certain significant balances or conditions are explained, to elaborate on the impact on VEF's operations. Readers are encouraged to gain a deeper understanding by reviewing VEF's financial statements and related notes presented in the Financial Section of this report.

Balance Sheet

The accompanying balance sheet as of September 30, 2015 reports a net position of approximately \$ 3.6 million. Specifically, VEF's total assets are approximately \$3.6 million, which is primarily comprised of Fund Balance with Treasury. The total assets as of September 30, 2015 increased by approximately \$0.9 million from September 30, 2014. The increase was primarily due to an increase in Fund Balance with Treasury of \$0.9 million, caused by an increase in unexpended appropriations.

Total liabilities reported are approximately \$56 thousand, which are primarily comprised of accrued payroll and leave balances, as of September 30, 2015. Total liabilities as of September 30, 2015 decreased by approximately \$62 thousand during FY 2015. The decrease was primarily due to a decrease in accounts payable related to fellowship payments.

Statement of Net Cost

VEF's net cost of operations for the year ended September 30, 2015 amounted to approximately \$3.6 million. Net cost of operations increased by approximately \$1.0 million in FY 2015, due to reduction in the number of fellowships accepted. Furthermore, due to sequestration and uncertainty of funding, VEF did not hold an annual conference in FY 2015.

Statement of Budgetary Resources

In FY 2015, VEF had total fund resources of \$7.3 million. The budgetary resources for FY 2015 increased by \$0.1 million from FY 2014, due primarily to an increase in spending authority from offsetting collections.

Systems, Controls and Legal Compliance

The Socialist Republic of Vietnam is responsible for repaying loans owed to the United States. The principal and interest from these debt repayments are made to the U.S. Department of Agriculture (USDA) and the U.S. Agency for International Development (USAID), which in turn transfer the funds to the Vietnam Debt Repayment Fund (VDRF). However, not all of the money deposited in the VDRF is made available to VEF. Only \$5 million is transferred to VEF and any excess amount is transferred to the general fund by the end of the fiscal year.

The VEF Board and management's highest priority is to assure the quality of VEF's comprehensive internal control framework as well as the quality of its management of risk assessment. VEF continues to review internal controls and compliance with all applicable laws and regulations regarding federal financial management.

VEF 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). FMFIA is implemented by OMB Circular A-123, revised, *Management's Responsibility for Internal Control*. The objectives of FMFIA are to ensure that VEF's controls and systems provide reasonable assurance that:

- obligations and costs are in compliance with applicable laws;
- funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation;
- revenues and expenditures are properly recorded and accounted for to permit the preparation of accounts and reliable financial reports and to maintain accountability over assets; and
- programs are efficiently and effectively carried out in accordance with applicable laws and management policy.

Section 2 of the FMFIA requires federal agencies to report, on the basis of annual assessments, any material weaknesses that have been identified in connection with their internal and administrative controls. Section 4 of the FMFIA requires that agencies annually provide assurance on programmatic internal controls and financial management systems, and effectiveness of internal control over financial reporting.

VEF operated during Fiscal Year 2015 with approximately 12 individuals, inclusive of 5 full-time employees and 7 contracted individuals located within the Hanoi office. VEF performs internal control reviews on financial, management, and information systems, and conducts fact finding activities to support decisions impacting revisions to VEF's accounting and financial reporting systems. Annually, VEF assesses internal controls to determine if there is any need for improvement. Additionally, VEF seeks feedback from those involved in the day-to-day financial operations of VEF to determine if any matters have arisen that reflect a potential weakness in these controls, and during FY 2015, no such matters were identified.

VEF relies upon its Federal shared financial service providers as an additional control that lessens the risk of weaknesses in VEF's controls. During FY 2015, VEF used the U.S. Department of Agriculture (USDA), Office of Chief Financial Officer (formerly GSA) to provide accounting systems and

financial management and reporting services to VEF. In addition, VEF used GSA to provide payroll and personnel services. Due to limited resources, it is VEF's strategy to continue to use shared service providers in support of its accounting and financial reporting, payroll, and human resources.

The operating effectiveness of the USDA financials, general information technology, and accounting operations controls was examined under Statements on Standards for Attestation Engagements No. 16 (SSAE 16), Reporting on Controls at a Service Organization, issued by the American Institute of Certified Public Accountants (AICPA). An unqualified opinion was issued by USDA's independent public accounting firm for the period July 1, 2014 through June 30, 2015, and in which no material weaknesses or significant deficiencies were noted. Accordingly, USDA was able to provide VEF with assurance that the description of controls in the FY 2015 report presents fairly the operating effectiveness of USDA controls that were in place as of September 30, 2015 as they relate to key controls relied upon by VEF.

In addition the operating effectiveness of GSA's payroll system and controls was examined under SSAE 16. An unqualified opinion was issued by GSA's independent public accounting firm for the period July 1, 2014 through June 30, 2015, and in which no material weaknesses or significant deficiencies were noted. Accordingly, GSA was able to provide VEF with assurance that the description of controls in the FY 2015 report presents fairly the operating effectiveness of GSA payroll controls that were in place as of September 30, 2015 as they relate to key controls relied upon by VEF.

Based on the results of the evaluation of controls documented in these SSAE 16 reports, VEF can provide reasonable assurance that the internal controls over financial reporting and payroll were operating effectively and VEF's financial management and payroll systems complied substantially with Federal financial management system requirements, applicable Federal accounting standards, and the U.S. Government Standard General Ledger at the transaction level.

Finally, the Accountability of Tax Dollars Act (ATDA) of 2002 requires the preparation of financial statements by the federal agencies that were exempted by the Chief Financial Officers Act of 1990. OMB Circular No. A-136, *Financial Reporting Requirements*, enables agencies to consolidate their audited financial statements and other financial and performance reports into one report, the AFR. This report meets the requirements of the Act. In accordance with the ATDA, VEF's financial information is audited annually by the Certified Public Accounting firm of Rocha & Company, PC, which reviewed the FY 2015 financial records and internal controls of the agency and submitted an unmodified audit opinion. This audit found no material weaknesses surrounding VEF's internal controls related to financial reporting. The results of the audit are considered by VEF in its assessment of whether or not the objectives of FMFIA are being met.

Independent Auditor's Report
Board Members and Executive Director
Vietnam Education Foundation

Report on the Financial Statements

We have audited the accompanying balance sheets of the Vietnam Education Foundation as of September 30, 2015 and 2014, and the related statements of net cost, changes in net position, and budgetary resources, for the years then ended. In our audit of the Vietnam Education Foundation for the fiscal year ended September 30, 2015, we found:

- the financial statements are presented fairly in all material respects, in conformity with U.S. generally accepted accounting principles,
- no material weaknesses in internal control over financial reporting (including safeguarding assets),
- no reportable noncompliance with laws and regulations we tested.

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

Opinion on Financial Statements

In our opinion, the financial statements, including the accompanying notes present fairly, in aU material respects, in conformity with U.S. generally accepted accounting principles, the financial position of the Vietnam Education Foundation as of September 30, 2015 and 2014, and its net costs; changes in net position; and budgetary resources for the years then ended.

Consideration of Internal Control

In planning and performing our audit, we considered the Vietnam Education Foundation's internal control over financial reporting as a basis for designing our auditing procedures and to comply with the Office of Management and Budget (OMB) audit guidance for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on internal control and compliance or on management's assertion on internal control included in the MD&A. Accordingly, we do not express an opinion on internal control over financial reporting and compliance or on management's assertion on the effectiveness of the entity's internal control over financial reporting, or on management's assertion on internal control included in the MD&A.

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 significant deficiency is a deficiency, or 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. A material weakness is a significant deficiency, or combination of

significant deficiencies, that results in a more than remote likelihood that the design or operation of one or more internal controls will not allow management or employees, in the normal course of performing their duties, to promptly detect or prevent errors, fraud, or noncompliance in amounts that would be material to the financial statements.

Our consideration of internal control over financial reporting was for the purpose described in the first paragraph of this section and would not necessarily disclose all deficiencies in the Vietnam Education Foundation's internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

We noted other non-reportable matters involving internal control and its operation that we will communicate in a separate management letter to Vietnam Education Foundation management.

Compliance With Laws and Regulations

As part of obtaining reasonable assurance about whether the Vietnam Education Foundation's financial statements are free from material misstatement, we also performed tests of its compliance with certain provisions of laws and regulations for fiscal year 2015. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests of compliance disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Consistency of Other Information

The information in the Management's Discussion and Analysis is not a required part of the financial statements, but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this information. However, we did not audit this information and, accordingly, we express no opinion on it.

The information in the Chairman's Message, Performance Section, and Other Accompanying Information is presented for purposes of additional analysis and is not required as part of the financial statements. This information has not been subjected to auditing procedures and, accordingly, we express no opinion on it.

Responsibilities

Management's Responsibilities. Management is responsible for preparing the financial statements; establishing and maintaining effective internal control over financial reporting; and complying with laws, regulations, contracts, and grant agreements applicable to the Vietnam Education Foundation.

Auditors' Responsibilities. Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in the U.S. Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 15-02, Audit Requirements for Federal Financial Statements. Those standards and OMB Bulletin No. 15-02 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the agency's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control. Accordingly, we do not express such an opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

A handwritten signature in cursive script that reads "Rocha & Company, PC". The signature is written in black ink and is positioned above the typed name of the firm.

Rocha & Company, PC
Gaithersburg, Maryland

November 12, 2015

VIETNAM EDUCATION FOUNDATION
BALANCE SHEETS
As of September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Assets:		
Intragovernmental:		
Fund Balance With Treasury (Note 2)	\$ 3,574,009	\$ 2,659,735
Total Intragovernmental	3,574,009	2,659,735
Assets With The Public:		
Cash, Foreign Currency and Other Monetary Assets (Note 3)	74,199	40,072
Accounts Receivable, net (Note 4)	658	590
Total Assets	<u>\$ 3,648,866</u>	<u>\$ 2,700,397</u>
Liabilities: (Note 5)		
Intragovernmental:		
Accounts Payable	\$ --	\$ 400
Other:		
Employer Contributions and Payroll Taxes Payable (Note 6)	3,912	2,768
Total Intragovernmental	<u>3,912</u>	<u>3,168</u>
Liabilities With the Public:		
Accounts Payable	7,847	71,076
Other: (Note 6)		
Accrued Funded Payroll and Leave	14,113	12,837
Employer Contributions and Payroll Taxes Payable	706	481
Unfunded Leave	29,391	30,031
Total Liabilities	<u>55,969</u>	<u>117,593</u>
Net Position:		
Cumulative Results of Operations	3,592,897	2,582,804
Total Net Position	<u>3,592,897</u>	<u>2,582,804</u>
Total Liabilities and Net Position	<u>\$ 3,648,866</u>	<u>\$ 2,700,397</u>

The accompanying notes are an integral part of these statements.

**VIETNAM EDUCATION FOUNDATION
STATEMENTS OF NET COST**

For the Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Program Costs:		
Gross Costs	\$ <u>3,644,613</u>	\$ <u>4,638,091</u>
Net Program Costs (Note 8)	3,644,613	4,638,091
Net Cost of Operations	\$ 3,644,613	\$ <u><u>4,638,091</u></u>

The accompanying notes are an integral part of these statements.

VIETNAM EDUCATION FOUNDATION
STATEMENTS OF CHANGES IN NET POSITION
For the Years Ended September 30, 2015 and 2014

	2015	2014
Cumulative Results of Operations:		
Beginning Balance	\$ 2,582,804	\$ 2,547,963
Budgetary Financing Sources:		
Nonexchange revenue	618	552
Donations and forfeitures of cash and cash equivalents	-	1,388
Transfers-in/out without reimbursement	4,635,000	4,640,000
Other	(2,775)	(919)
Other Financing Sources (Non-Exchange):		
Imputed financing	21,863	31,911
Total Financing Sources	4,654,706	4,672,932
Net Cost of Operations	3,644,613	4,638,091
Net Change	1,010,093	34,841
Total Cumulative Results of Operations	3,592,897	2,582,804
Net Position	\$ 3,592,897	\$ 2,582,804

The accompanying notes are an integral part of these statements.

VIETNAM EDUCATION FOUNDATION
STATEMENTS OF CHANGES IN NET POSITION
For the Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Budgetary resources:		
Unobligated balance brought forward, October 1	\$ 2,549,100	\$ 2,586,288
Recoveries of prior year unpaid obligations	21,182	9,115
Unobligated balance from prior year budget authority, net	2,570,282	2,595,403
Appropriations (discretionary and mandatory)	4,635,453	4,641,022
Spending authority from offsetting collections (discretionary and mandatory)	138,377	4,950
Total budgetary resources	\$ <u>7,344,112</u>	\$ <u>7,241,375</u>
Status of budgetary resources:		
Obligations incurred (Note 9)	\$ 3,855,771	\$ 4,692,275
Unobligated balance, end of year:		
Apportioned	3,458,330	2,535,035
Unapportioned	30,011	14,065
Total unobligated balance, end of year	3,488,341	2,549,100
Total budgetary resources	\$ <u>7,344,112</u>	\$ <u>7,241,375</u>
Change in obligated balance:		
Unpaid obligations, brought forward, October 1 (gross)	\$ 150,707	\$ 306,069
Obligations incurred (Note 9)	3,855,771	4,692,275
Outlays (gross)	(3,825,429)	(4,838,522)
Recoveries of prior year unpaid obligations	(21,182)	(9,115)
Obligated balance, end of year		
Unpaid obligations, end of year (gross) (Note 10)	159,867	150,707
Obligated balance, start of year	150,707	306,070
Obligated balance, end of year (net)	\$ <u>159,867</u>	\$ <u>150,707</u>
Budget Authority and Outlays, Net		
Budget authority, gross (discretionary and mandatory)	\$ 4,773,830	\$ 4,645,971
Actual offsetting collections (discretionary and mandatory)	(138,377)	(4,949)
Budget authority, net (discretionary and mandatory)	\$ <u>4,635,453</u>	\$ <u>4,641,022</u>
Outlays, gross (discretionary and mandatory)	\$ 3,825,429	\$ 4,838,522
Actual offsetting collections (discretionary and mandatory)	(138,377)	(4,949)
Outlays, net (discretionary and mandatory)	3,687,052	4,833,573
Distributed offsetting receipts	453	1,022
Agency outlays, net (discretionary and mandatory)	\$ <u>3,686,599</u>	\$ <u>4,832,551</u>

The accompanying notes are an integral part of these statements.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Vietnam Education Foundation (VEF), an independent establishment of the Executive Branch of the United States Government, is a special initiative created by the U.S. Congress in December 2000 under The Vietnam Education Foundation Act (Public Law 106-554). VEF has a sunset date of September 30, 2018, which is outlined in its legislation as follows: The Foundation may not award any new fellowship, or extend any existing fellowship, after September 30, 2016. Effective 120 days after the expiration of the last fellowship in effect under this title, the Foundation is abolished.

VEF operates as an independent establishment of the Executive Branch under Section 104 of Title 5, United States Code. Funding sources include transfers in/out without reimbursement from other federal agencies, as part of United States-Vietnam Debt Repayment Agreement. Funding details are presented below under the subsection Revenues and Other Financing Sources.

VEF's purpose is to promote closer relations between the United States and the Socialist Republic of Vietnam. VEF does this by providing opportunities for Vietnamese nationals to pursue graduate and post-graduate studies in science and technology in the United States and for American citizens to teach in the same fields of studies in Vietnam. VEF's core activities are concentrated in two essential and complementary areas: (1) the selection and management of Vietnamese nationals for advanced graduate studies and professional training at top U.S. universities (Fellowship and Visiting Scholars Programs) in the sciences (natural, physical, and environmental), mathematics, medicine, and technology (including information technology); and (2) the strengthening of Vietnam's capacity in science and technology, focusing on its teaching and research institutions (U.S. Faculty Scholar Program and Capacity Building Projects).

In order to accomplish its mission, VEF has two offices: (1) the headquarters in Arlington, Virginia, established in March 2003, with six employees; and (2) the field office in Hanoi, Vietnam, established in November 2003, with ten employees. VEF provides annual reports on its activities to the President and also to Congress through the U.S. Senate Committee on Foreign Relations and the House Committee on Foreign Affairs.

VEF is governed by a Board of Directors, comprised of 6 members, who meet three times per year, together with the VEF U.S. headquarters staff. Three Presidential appointees serve as voting members of the Board, the other three Presidential positions are vacant. U.S. Government officials on the VEF Board of Directors are three U.S. Cabinet members, who serve as voting members of the Board: Secretary of State John F. Kerry, Secretary of Education Arne Duncan, and Secretary of Treasury Jacob J. Lew. Also among U.S. Government officials on the Board are four members of Congress, who serve as ex officio, nonvoting members, providing bipartisan representation from the Senate and the House of Representatives. According to the VEF Act, the two members of the Senate are appointed by the President pro tempore of the Senate, one of whom is appointed upon the recommendation of the Majority Leader and the other upon the recommendation of the Minority Leader, while the two members of the House of Representatives

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (continued)

are appointed by the Speaker of the House of Representatives, one of whom is appointed upon the recommendation of the Majority Leader and the other upon the recommendation of the Minority Leader. The present Congressional members are U.S. Senators Richard Blumenthal and David Vitter and U.S. Representatives Joe Pitts and Loretta Sanchez.

Basis of Presentation

These financial statements have been prepared from the accounting records of VEF in accordance with generally accepted accounting principles (GAAP), and the form and content for entity financial statements specified by the Office of Management and Budget (OMB) in OMB Circular A-136. GAAP for Federal entities are standards prescribed by the Federal Accounting Standards Advisory Board (FASAB), which has been designated the official accounting standards-setting body for the Federal Government by the American Institute of Certified Public Accountants.

OMB Circular A-136 requires agencies to prepare principal statements, which include a Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, and a Statement of Budgetary Resources. The Balance Sheet presents, as of September 30, 2015 and 2014, amounts of future economic benefits owned or managed by VEF (assets), amounts owed by VEF (liabilities), and amounts, which comprise the difference (net position). The Statement of Net Cost reports the full cost of the program, both direct and indirect costs of the output, and the costs of identifiable supporting services provided by other segments within VEF and other reporting entities. The Statement of Budgetary Resources reports an agency's budgetary activity.

Basis of Accounting

Transactions are recorded on the accrual accounting basis in accordance with general government practice. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. The most sensitive estimates affecting the financial statements are management's estimates of Other Liabilities with the Public for accrued funded payroll and benefits and unfunded leave. These estimates are based on application of federal employee benefits laws and agency policies related to payroll and leave. Additional details on accounting for personnel compensation and benefits are provided below.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting

VEF follows standard federal budgetary accounting policies and practices in accordance with OMB Circular No. A-11, “Preparation, Submission, and Execution of the Budget,” as amended. Budgetary accounting facilitates compliance with legal constraints and controls over the use of federal funds. Each year, OMB apportions debt repayment funds to VEF’s Fund Balance with Treasury to incur obligations in support of agency programs. For Fiscal Year (FY) 2015 and 2014, VEF is accountable for apportionment of no-year funds and no-year fund carryover. VEF recognizes budgetary resources as assets when cash (funds held by Treasury) is made available through warrants and when spending authority from the offsetting collection is incurred. VEF receives warrants as payments are received from debt repayments under the United States-Vietnam Debt Agreement, which is described more fully below.

Revenues and Other Financing Sources

VEF’s authorizing legislation (P.L. 106-554), passed in December 2000, established the Vietnam Education Foundation as an independent agency of the Executive Branch, and appropriated the \$85 million in expected loan repayment from the Socialist Republic of Vietnam to the United States under the United States-Vietnam Debt Repayment Agreement to VEF.

VEF receives its funding from the repayment of outstanding loans paid by the Socialist Republic of Vietnam to the United States. These funds are paid into the Vietnam Debt Repayment Fund, which was the result of the United States-Vietnam Debt Agreement. The Socialist Republic of Vietnam makes its debt repayments to the U.S. Agency for International Development (USAID) and the U.S. Department of Agriculture (USDA). Under the terms of the Agreement, the Socialist Republic of Vietnam is obligated to pay the United States the total debt, of which typically \$2.5 million is paid to VEF each January and typically another \$2.5 million is paid to VEF each July, totaling \$85 million from FY 2002-FY 2018. There is a schedule showing the portion of debt repayments to each agency.

USAID and USDA transfer debt repayments to an unavailable receipts account at the Treasury Department known as the Vietnam Debt Repayment Fund (account symbol 955365.001). January payments are transferred by March and July payments are transferred by September. It is not uncommon for these transfers to be delayed. Any amount of the loan repayment in excess of the \$5,000,000 is not to be used by VEF and is left in an Unapplied Receipt Account at Treasury.

P.L. 106-554 appropriated a total of \$85 million “non-expiring” funds to VEF, in increments of \$5 million per fiscal year, spanning FY 2002 – FY 2018, which is the expected amount of the loan repayments. VEF funds are “non-expiring.” “Legally binding budgetary restrictions” are limited to not obligating or spending more than its Fund Balance with Treasury. VEF is a “non-appropriated fund.”

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues and Other Financing Sources (continued)

“Transfers in without reimbursement” are subject to “apportionment” by the U.S. Office of Management and Budget (OMB) in order to add those amounts to VEF’s Fund Balance with Treasury. OMB issues new apportionment documents based on the actual receipt of funds from the Vietnamese government, not the full amount of expected annual payments (which occurred in prior years).

A second financing source for VEF consists of imputed financing sources, which are costs financed by other Federal entities on behalf of VEF, as required by Statement of Federal Financial Accounting Standard (SFFAS) No. 5, *Accounting for Liabilities of the Federal Government*.

A third financing source for VEF is donations. A separate fund, a Special Fund Receipt Account, is established for fundraising private dollars. Contributions are tax deductible. Donors are legally prohibited from providing restricted grants. Starting in fiscal year 2012, VEF established a bank account in Vietnam where tax rebates from the Vietnamese Government will be deposited. The Department of the Treasury’s Financial Management Service approved the Citibank N.A, Hanoi Branch - Hanoi, Vietnam, for a local currency operating account to support the Vietnam Education Foundation (VEF) as it receives funds from the Vietnamese Government for Vietnamese Federal Taxes that have been paid. This financing source is reflected at Treasury as Funds Held Outside of Treasury.

Funds from Dedicated Collections

SFFAS 43 replaced SFFAS 27 and resulted in a significant change in the definition of what was previously known as "earmarked funding." SFFAS 43 states that funds from dedicated collections are financed by specifically identified revenues, provided to the government by non-federal sources, often supplemented by other financing sources, which remain available over time. These specifically identified revenues and other financing sources are required by statute to be used for designated activities, benefits or purposes, and must be accounted for separately from the government’s general revenues.

As of FY 2014 it was determined that VEF funding that previously was designated "earmarked" did not qualify under the new definition for "Funds from Dedicated Collections" and are not presented separately in these financial statements.

Imputed Financing Sources

In certain instances, operating costs of VEF are paid out of funds appropriated to other federal agencies. In accordance with GAAP, as outlined in guidance issued by the OMB, all expenses of a federal entity should be reported by that agency regardless of whether the agency will ultimately pay those expenses. Amounts for certain expenses of VEF, which will be paid by other federal agencies, are recorded in the Statement of Net Cost. A related amount is recognized in the Statement of Changes in Net Position as an imputed financing source. VEF records imputed expense and financing sources for employee retirement, insurance, and health benefit costs, which are paid by the Office of Personnel Management (OPM).

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Personnel Compensation and Benefits

VEF has two categories of employees: U.S. government employees, who are based in the headquarters in Arlington, VA, and non-U.S. government contractors, who are based in the field office in Hanoi, Vietnam. The non-U.S. government contractors are paid through a third party in Vietnam and are not processed through the U.S. government payroll systems. The information below applies only to U.S. government employees.

Salaries and wages of employees are recognized as accrued payroll expenses and related liabilities as earned. These expenses are recognized as a funded liability when accrued.

Annual leave is accrued as it is earned by employees and is included in personnel compensation and benefit costs. An unfunded liability is recognized for earned but unused annual leave since, from a budgetary standpoint, this annual leave will be paid from future appropriations when employees actually use the leave. The amount accrued is based upon current pay rates for employees. Sick leave and other types of leave that are not vested are expensed when used and no future liability is recognized for these amounts.

During FY 2015, VEF's employees participated in two retirement programs: the Federal Employees Retirement System (FERS), which became effective on January 1, 1987, and the Civil Service Retirement System (CSRS). Both VEF and its employees contributed to FERS and CSRS during FY 2015. Although VEF funds a portion of benefits under FERS and CSRS and makes the necessary payroll withholdings, it does not report assets associated with these benefit plans in accordance with SFFAS No. 5, "Accounting for Liabilities of the Federal Government."

For CSRS employees, VEF contributes to the plan an amount equal to 7% of each employee's basic pay. For FERS employees covered under FERS prior to January 1, 2013, VEF contributes to the plan an amount equal to 13.2% of each employee's basic pay. FERS employees covered under FERS-RAE or FRAE on or after January 1, 2013, pay a higher percentage of their pay for their retirement, and thus VEF contributes only 11.1% of each employee's basic pay to the plan.

Both CSRS employees and FERS employees are eligible to participate in the Thrift Savings Plan (TSP). The TSP is a defined contribution retirement plan intended to supplement the benefits provided under CSRS and FERS. For FERS employees, VEF contributes an amount equal to 1% of the employee's basic pay to the TSP and matches employee contributions up to an additional 4%. CSRS employees receive no matching contribution from VEF.

The U.S. Office of Personnel Management (OPM) is responsible for reporting assets, accumulated plan benefits, and unfunded liabilities, if any, applicable to CSRS participants and FERS employees government-wide, including VEF employees. VEF has recognized an Imputed Cost and Imputed Financing Source for the difference between the estimated service cost and the contributions made by VEF and its covered employees. The estimated cost of pension benefits is based on rates issued by OPM based on guidance from the Department of the Interior's Office of Financial Management.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Personnel Compensation and Benefits (continued)

VEF employees are entitled to participate in the Federal Employees Group Life Insurance (FEGLI) Program. Participating employees can obtain “basic life” term life insurance, with the employee paying two-thirds of the cost and VEF paying one-third. Additional coverage is optional, to be paid fully by the employee. The basic life coverage may be continued into retirement if certain requirements are met. OPM administers the FEGLI program and is responsible for the reporting of related liabilities. Each fiscal year, OPM calculates the U.S. Government’s service cost for the post-retirement portion of basic life coverage. Because VEF’s contributions to the basic life coverage are fully allocated by OPM to the pre-retirement portion of coverage, VEF has recognized the entire service cost of the post-retirement portion of basic life coverage as an Imputed Cost and Imputed Financing Source.

Fund Balance with Treasury

The U.S. Treasury performs cash management activities for all Federal agencies. Fund Balance with Treasury is the aggregate amount of the agency’s accounts with Treasury for which the agency is authorized to liquidate obligations, pay funded liabilities, and make expenditures. The fund balance is increased through the receipt of non-expenditure Treasury Warrants for appropriations, positive non-expenditure transfers, and other expenditure inflows of funds. The Fund Balance with Treasury is reduced through non-expenditure Treasury Warrants for rescissions, negative non-expenditure transfers, disbursements, and other expenditure cash outflows of funds.

Property and Equipment

Property, plant, and equipment (PP&E) has been defined in the Federal Government as a tangible item owned by the Federal Government and having an expected useful life of greater than two years. PP&E is captured at cost, less accumulated depreciation. Depreciation on these assets is calculated using the straight-line method. Depreciation begins the day the asset is placed in service.

VEF capitalizes PP&E with an acquisition cost greater than \$5,000 and a useful life of 2 or more years. For bulk purchases, items will be capitalized when the individual useful lives are at least two years and have an aggregate value of \$100,000 or more.

Acquisitions of PP&E that do not meet the capitalization criteria will be recorded as operating expenses. General PP&E consists of items that are used by VEF to support its mission. Maintenance, repairs, and minor renovations are expensed as incurred. Expenditures that materially increase values, change capacities, or extend useful lives will be capitalized.

The costs of any leasehold improvements financed with VEF appropriated funds will be capitalized if the total cost exceeds \$25,000. Construction costs will be accumulated as “construction in-progress” until completion and then transferred and capitalized as a “leasehold improvements” over 7 years or the remainder of the lease, whichever is less.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (continued)

Internal use software development and acquisition costs of \$25,000 will be capitalized as “software development-in-progress” until the development stage is completed and the software is successfully tested. At acceptance, “software development-in-progress” costs are reclassified as “internal use software” and amortized using the straight-line method over an estimated useful life of 4 years. Purchased commercial software that does not meet the capitalization criteria will be expensed. Enhancements that do not add significant new capability or functionality will be expensed.

Prepaid and Deferred Charges

Payments in advance of the receipt of goods and services are recorded as prepaid charges at the time of prepayment and recognized as expenses when the related goods and services are received.

Liabilities

Liabilities represent amounts expected to be paid as the result of a transaction or event that has already occurred. Liabilities covered by budgetary resources are liabilities incurred which are covered by realized budgetary resources as of the balance sheet date. Available budgetary resources include new budget authority, spending authority from the offsetting collections, recoveries of unexpired budget authority through downward adjustments of prior year obligations, and unobligated balances of budgetary resources at the beginning of the year. Unfunded liabilities are not considered to be covered by such budgetary resources. Examples of unfunded liabilities are actuarial liabilities for future Federal Employees’ Compensation Act payments. The Government, acting in its sovereign capacity, can abrogate liabilities arising from other than contracts.

Contingencies

The criteria for recognizing contingencies for claims are (1) a past event or exchange transaction has occurred as of the date of the statements; (2) a future outflow or other sacrifice of resources is probable; and (3) the future outflow or sacrifice of resources is measurable (reasonably estimated). VEF recognizes material contingent liabilities in the form of claims, legal action, administrative proceedings, and environmental suits that have been brought to the attention of legal counsel, some of which will be paid by the Treasury Judgment Fund. It is the opinion of management and legal counsel that the ultimate resolution of these proceedings, actions and claims, will not materially affect the financial position or results of operations.

Net Position

Net position consists of unexpended appropriations and cumulative results of operations. Unexpended appropriations represent amounts of budget authority to include unobligated or obligated balances not rescinded or withdrawn. Cumulative Results of Operations is comprised of the following: (1) the difference between revenues and expenses, (2) the net amount of transfers of assets in and out without reimbursement, and (3) donations, all since inception of the fund(s).

NOTE 2 – FUND BALANCE WITH TREASURY

Treasury performs cash management activities for all federal agencies. The net activity represents Fund Balance with Treasury. Fund Balance with the Treasury is the aggregate amount of funds in the agency's accounts with Treasury for which the agency is authorized to make expenditures and pay liabilities. The fund balance is increased when VEF receives transfers in without reimbursement as part of debt repayment and it is reduced by disbursements.

VEF's Fund Balance with Treasury is derived from repayment of outstanding loans by the Socialist Republic of Vietnam, which are appropriated to VEF in increments of \$5 million per fiscal year through FY 2018. The table below displays the composition of Fund Balance with Treasury.

Account	FY 2015	FY 2014
Special Fund		
Fund Balance with Treasury	\$3,574,009	\$2,659,735
Funds Held Outside Treasury	74,199	40,072
Total	<u>\$3,648,208</u>	<u>\$2,699,807</u>
Status of Fund Balance with Treasury		
Unobligated Balance		
Available	\$3,458,330	\$2,535,035
Unavailable	30,011	14,065
Obligated Balance Not Yet Disbursed	159,867	150,707
Total	<u>\$3,648,208</u>	<u>\$2,699,807</u>

NOTE 3 – CASH AND OTHER MONETARY ASSETS

In fiscal year 2012, VEF established a bank account in Vietnam where tax rebates from the Vietnamese Government are now deposited. The Department of the Treasury's Financial Management Service approved the Citibank N.A, Hanoi Branch - Hanoi, Vietnam, for a local currency operating account to support the Vietnam Education Foundation (VEF) as it receives returned funds from the Vietnamese Government for Vietnamese Federal Taxes that have been paid. This financing source is reflected at Treasury as Funds Held Outside of Treasury. VEF expects to receive this tax refund on an annual basis. In Fiscal Year 2015, VEF received financing sources of \$128,472 from the Vietnamese Government and expended \$94,798. In Fiscal Year 2014, VEF received financing sources of \$0 from the Vietnamese Government and expended \$44,311. In Fiscal Year 2015, there is a balance remaining in the Vietnam Bank account of \$74,199.

NOTE 4 – ACCOUNTS RECEIVABLE, NET

Accounts receivable represents the gross amount of monies owed to VEF. Accounts receivable balance as of September 30, 2015 and 2014, respectively was \$658 and \$590. VEF has historically collected receivables due and thus has not established an allowance for uncollectible accounts.

NOTE 5 – LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

VEF’s liabilities are classified either as Liabilities Covered by Budgetary Resources or Liabilities Not Covered by Budgetary Resources. As of September 30, 2015, Liabilities Covered by Budgetary Resources totaled \$26,578 and Liabilities Not Covered by Budgetary Resources totaled \$29,391. As of September 30, 2014, Liabilities Covered by Budgetary Resources totaled \$87,562 and Liabilities Not Covered by Budgetary Resources totaled \$30,031.

As of September 30, 2015, Liabilities Covered by Budgetary Resources was composed of Accounts Payable of \$7,847, Employer Contributions and Payroll Taxes Payable of \$4,618, and Accrued Funded Payroll and Leave of \$14,113. As of September 30, 2014, Liabilities Covered by Budgetary Resources was composed of Accounts Payable of \$71,476, Employer Contributions and Payroll Taxes Payable of \$3,249, and Accrued Funded Payroll and Leave of \$12,837.

Account	FY 2015	FY 2014
Total Liabilities Covered by Budgetary Resources	\$26,578	\$87,562
Total Liabilities Not Covered by Budgetary Resources	29,391	\$30,031
Total Liabilities	<u>\$55,969</u>	<u>\$117,593</u>

NOTE 6 – OTHER LIABILITIES

As of September 30, 2015, Other Liabilities With The Public consists of Current Liabilities (Accrued Funded Payroll and Leave of \$14,113 and Employer Contributions and Payroll Taxes Payable totaling \$706, for a grand total of \$14,819), and Non-Current Liabilities (Unfunded Leave totaling \$29,391). Other Current Liabilities for FY 2015 are the Intragovernmental Liabilities that consists of Employer Contributions and Payroll Taxes Payable totaling \$3,912. As of September 30, 2014, Other Liabilities With The Public consists of Current Liabilities (Accrued Funded Payroll and Leave of \$12,837 and Employer Contributions and Payroll Taxes Payable totaling \$481, for a grand total of \$13,318), and Non-Current Liabilities (Unfunded Leave totaling \$30,031). Other Current Liabilities for FY 2014 are the Intragovernmental Liabilities that consists of Employer Contributions and Payroll Taxes Payable totaling \$2,768. The totals summarized here for Other Liabilities are presented in the tables below.

Summary of Other Liabilities With the Public

Fiscal Year	Non-Current	Current	Total
2015	\$29,391	\$14,819	\$44,210
2014	\$30,031	\$13,318	\$43,349

Summary of Other Intragovernmental Liabilities

Fiscal Year	Non-Current	Current	Total
2015	\$0	\$3,912	\$3,912
2014	\$0	\$2,768	\$2,768

NOTE 7 – LEASES

VEF leases office space located at 2111 Wilson Boulevard, Suite 700, in Arlington, VA. The lease was entered into on March 17, 2003, and was renewed on October 1, 2015, and expiring on March 31, 2016. The financial obligation for this lease through March 31, 2016 is estimated to be \$42,564.

VEF also leases office space at Unit No. 502, 5th Floor, Hanoi Towers, Hanoi, Vietnam. The lease was entered into on August 27, 2004, became effective September 1, 2004, and expires on September 30, 2016. The tenant may relinquish space upon six (6) months' notice. The financial obligation remaining on this lease is approximately \$55,000.

NOTE 8 – INTRAGOVERNMENTAL COSTS AND EXCHANGE REVENUE

The classification of revenue or cost defined as "intragovernmental" or "with the public" is defined on a transaction by transaction basis. Preceding transactions in the lifecycle of a product will not have an impact on subsequent transactions. If VEF purchases goods or services from another Federal entity, capitalizes them into inventory, and later resells them to the public, the cost of the original purchase of resale assets from the other Federal entity will be classified as "intragovernmental" at the time of the purchase. At ultimate sale to the end user, the resulting cost of goods will be classified as "with the public." The purpose of this classification is to enable the Federal government to provide consolidated financial statements, and not to match public and intragovernmental revenue with costs that are incurred to produce public and intragovernmental revenue.

Summary of VEF Intragovernmental Costs and Exchange Revenue

Account	FY 2015	FY 2014
Intragovernmental Costs	\$ 269,730	\$ 286,252
Public Costs	3,374,883	4,351,839
Total Program Costs	<u>\$3,644,613</u>	<u>\$4,638,091</u>

NOTE 9 – APPORTIONMENT CATEGORIES OF OBLIGATIONS INCURRED

VEF is subject to apportionment, but does not have reimbursable authority. Therefore, all obligations are direct in fiscal year 2015 and 2014 and are classified as Category A. The Category A obligations are those incurred by VEF and paid by obligating from the Fund Balance with Treasury and it also includes obligations incurred using the Vietnamese Bank account and paid by obligating the Funds Held Outside of Treasury. Total obligations as of September 30, 2015 and 2014, respectively were \$3,855,771 and \$4,692,275.

NOTE 10 – UNDELIVERED ORDERS AT THE END OF THE PERIOD

The amount of Unpaid Obligated Balance, Net, End of Period includes obligations relating to Undelivered Orders (goods and services contracted for but not yet received at the end of the year) and Accounts Payable (amounts owed at the end of the year for goods and services already received). The following provide a summary of unpaid obligated balance, net, end of period:

Account	FY 2015	FY 2014
Undelivered Orders	\$133,289	\$63,145
Accounts Payable	26,578	87,562
Total Unpaid Obligated Balance, Net	<u>\$159,867</u>	<u>\$150,707</u>

NOTE 11 – RECONCILIATION OF NET COST OF OPERATIONS (PROPRIETARY) TO BUDGET

As of, and for the year ended, September 30, 2015, Liabilities Not Covered by Budgetary Resources totaled \$29,391, and the change from the end of FY 2014 in components requiring or generating resources in future periods was a negative \$640. This amount (\$640) is the net decrease of Future Funded Expenses – Leave between appropriations of Fiscal Year 2014 and Fiscal Year 2015. VEF’s Accrued Funded Payroll and Leave liability is covered by budgetary resources and is included in the Net Cost of Operations, whereas the Unfunded Leave liability includes the expense related to the increase in annual leave liabilities for which budgetary resources will be provided in a subsequent period.

As of, and for the year ended, September 30, 2014, Liabilities Not Covered by Budgetary Resources totaled \$30,031, and the change from the end of FY 2013 in components requiring or generating resources in future periods was a negative \$88,191. This amount (\$88,191) is the net decrease of Future Funded Expenses – Leave between appropriations of Fiscal Year 2013 and Fiscal Year 2014. The assertions in the first paragraph of this Note 11 regarding VEF’s Accrued Funded Payroll and Leave liability and its Unfunded Leave liability are also applicable for the year-ended September 30, 2014.

Summary of Change in Components Requiring or Generating Resources

Account	FY 2015	FY 2014
Liabilities Not Covered by Budgetary Resources	\$29,391	\$30,031
Change in Components Requiring or Generating Resources	(\$640)	(\$88,191)

**NOTE 11 – RECONCILIATION OF NET COST OF OPERATIONS (PROPRIETARY)
TO BUDGET (CONTINUED)**

Summary of Net Cost of Operations

Account	FY 2015	FY 2014
Budgetary Resources Obligated	\$3,855,771	\$4,692,275
Spending Authority from Recoveries and Offsetting Collections	(\$159,559)	(\$14,065)
Distributed Offsetting Receipts	\$453	\$1,022
Imputed Financing from Costs Absorbed by Others	\$21,863	\$31,911
Other Resources	(\$2,610)	\$0
Changes in Budgetary Resources Obligated for Goods, Services, and Benefits Ordered but Not Yet Provided	(\$70,144)	\$16,161
Resources that Finance the Acquisition of Assets	(\$68)	\$0
Other Resources or Adjustments to Net Obligated Resources That Do Not Affect the Net Cost of Operations	(\$453)	(\$1,022)
Financing Sources Yet to be Provided	(\$640)	(\$88,191)
Net Cost of Operations	\$3,644,613	\$4,638,091

NOTE 12 – SUBSEQUENT EVENTS

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through November 12, 2015, which is the date the financial statements were available to be issued.

Appendix 9: 98 U.S. Universities in the VEF Alliance

As of September 30, 2015

SUMMARY: In 2005, the Vietnam Education Foundation (VEF) established the VEF Alliance, a consortium of leading U.S. universities that share in VEF’s mission and that benefit from its success. The Alliance is open to accredited U.S. universities that agree to a specified cost-sharing agreement, spelled out in a Memorandum of Understanding (MOU). The list below consists of the 98 major research institutions across the United States that make up the VEF Alliance schools as of September 30, 2015. Specific divisions/departments that participate in the Alliance are also listed.

#	University	Division/Department
1	Arizona State University	Graduate School
2	Auburn University	Graduate School
3	Binghamton University, the State University of New York	Graduate School
4	Boston College	Graduate School
5	Boston University	College of Engineering
6	Bradley University	Graduate School
7	Brandeis University	Graduate School
8	Brown University	Graduate School
9	California Institute of Technology	Graduate School
10	Carnegie Mellon University	Heinz School of Public Policy and Management

#	University	Division/Department
11	Case Western Reserve University	Biology; Chemistry; Civil Engineering; Epidemiology and Biostatistics; Macromolecular Science and Engineering; Materials Science and Engineering; Mathematics; Physics; Statistics
12	Catholic University	Graduate School
13	Chatham University	University-wide
14	Clemson University	Graduate School
15	Colorado School of Mines	Graduate School
16	Colorado State University	Graduate School
17	Columbia University	School of Engineering and Applied Science
18	Cornell University	College of Agriculture and Life Sciences; School of Civil and Environmental Engineering
19	Duke University	Graduate School
20	Florida International University	Graduate School
21	Florida State University	Graduate School
22	Fordham University	Graduate School
23	George Washington University	Graduate School
24	Georgia State University	Graduate School
25	Gerstner Sloan-Kettering Graduate School of Biomedical Sciences	Graduate School of Biomedical Sciences
26	Iowa State University	Graduate School
27	Johns Hopkins University	Whiting School of Engineering; Zanvyl Krieger School of Arts and Sciences

#	University	Division/Department
28	Kansas State University	Graduate School
29	Kent State University	Graduate School
30	Lehigh University	Graduate School
31	Louisiana State University at Baton Rouge	Graduate School
32	Louisiana State University Health Sciences Center	Graduate School
33	Loyola University of Chicago	Graduate School
34	New York University Polytechnic School of Engineering	Graduate School
35	Michigan State University	Graduate School
36	Mississippi State University	Graduate School
37	North Carolina State University	Graduate School
38	Northeastern University	Graduate School
39	Northern Illinois University	Graduate School
40	Northwestern University	Graduate School
41	Oklahoma State University	Graduate School
42	Old Dominion University	Graduate School
43	Oregon State University	Graduate School
44	Pennsylvania State University	Graduate School
45	Princeton University	Graduate School

#	University	Division/Department
46	Rensselaer Polytechnic University	Graduate School
47	Rice University	Graduate School
48	Rutgers University	Graduate School
49	Saint Louis University	Graduate School
50	Southern Illinois University at Carbondale	Graduate School
51	Stony Brook University, the State University of New York	Graduate School
52	Syracuse University	Graduate School
53	Temple University	Graduate School
54	Texas A&M University	Graduate School
55	Texas Tech University	Graduate School
56	Tulane University	Graduate School
57	University at Buffalo, the State University of New York	School of Engineering and Applied Sciences
58	University of Alabama at Birmingham	Graduate School
59	University of Arkansas	Graduate School
60	University of California, Davis	Graduate School
61	University of California, Irvine	Graduate School
62	University of California, Los Angeles	School of Engineering and Applied Sciences
63	University of California, Riverside	Graduate School
64	University of California, San Diego	Graduate School

#	University	Division/Department
65	University of California, San Francisco	Graduate Division
66	University of California, Santa Barbara	Graduate School
67	University of Colorado Boulder	Graduate School
68	University of Colorado at Denver, Health Sciences Center	Graduate School
69	University of Delaware	Graduate School
70	University of Florida	School of Engineering
71	University of Hawaii at Manoa	Graduate School
72	University of Houston	Graduate School
73	University of Idaho	Graduate School
74	University of Iowa	Graduate School
75	University of Kansas	Graduate School
76	University of Kentucky	Graduate School
77	University of Louisville	Graduate School
78	University of Maine	Graduate School
79	University of Maryland, Baltimore	Graduate School
80	University of Massachusetts Amherst	Graduate School
81	University of Minnesota	College of Science and Engineering
82	University of Mississippi	Graduate School; University of Mississippi Medical Center (UMMC)

#	University	Division/Department
83	University of Missouri	Graduate School
84	University of Nebraska-Lincoln	Graduate School
85	University of North Carolina at Chapel Hill	Graduate School
86	University of North Carolina at Charlotte	Graduate School
87	University of North Texas	Graduate School
88	University of North Texas Health Science Center at Fort Worth	Graduate School
89	University of Notre Dame	Graduate School
90	University of Oregon	Graduate School
91	University of Pennsylvania	School of Arts and Sciences; School of Nursing
92	University of Rhode Island	Graduate School
93	University of Southern California	College of Letters, Arts and Sciences; Viterbi School of Engineering
94	University of Texas at Arlington	Graduate School
95	University of Texas at Austin	Graduate School
96	University of Texas Health Science Center at Houston	Graduate School of Biomedical Sciences
97	University of Toledo	Graduate School
98	University of Utah	Graduate School
99	University of Vermont	Graduate School
100	University of Virginia	Graduate School

#	University	Division/Department
101	University of Washington	Environmental and Occupational Health; Interdisciplinary Program in Pathobiology; Materials Science and Engineering
102	University of Wyoming	Graduate School
103	Virginia Commonwealth University	Graduate School
104	Virginia Polytechnic Institute and State University	Graduate School
105	Washington State University	Graduate School
106	Washington University in St. Louis	Graduate School
107	Yale University	Graduate School (doctoral programs only)