

NIH FINANCIAL MANAGEMENT REPORT

FISCAL YEAR 2022

The National Institutes of Health (NIH) Fiscal Year 2022 (FY22) Financial Management Report provides fiscal and summary performance results to highlight NIH spending and Office of Financial Management (OFM) accomplishments.

About the Office of Financial Management (OFM)

NIH OFM provides central accounting and reporting for all NIH financial transactions. OFM establishes financial management policies and procedures to ensure NIH's core financial management systems meet existing and emerging Department of the Treasury, Government Accountability Office, Office of Management and Budget, and Department of Health and Human Services (HHS) mandates. OFM is a diverse and inclusive workforce that fosters a respectful work environment to achieve its goals.

OFM MISSION

is to serve as an essential partner providing effective and efficient accounting and financial management services to support the NIH's scientific and biomedical research communities.

OFM VISION

is to be a world class team of experts providing the highest quality financial management services, guidance, and leadership to the NIH community.

OFM HIGHLIGHTS

FY22

Met and exceeded all required HHS, Treasury, and OMB reporting and reconciliation deadlines



21 Reconciliations
14 MONTHLY REPORTS
7 QUARTERLY REPORTS

DELIVERED

CERTIFIED
330

monthly NIH Treasury Account Symbols (TAS) resulting in accurate and timely NIH financial reporting.



OVER 28,000 1099s/1042s/W2s
BY THE IRS DEADLINE

Created strong financial statements under a sound financial internal control environment and produced financial statements

WITH TOTAL ASSETS OF \$56.7B & EXCHANGE REVENUE OF \$785M

PROCESSED

\$3.7B

SALARY, WAGES AND BENEFITS

OVER \$1.6B

NEW OBLIGATIONS

135,945/\$7.3B

INVOICE PAYMENTS

332,199/\$277M

PURCHASE CARD TRANSACTIONS

20,000/\$2.6M

RESEARCH VOLUNTEER PAYMENTS

1,288/\$331M

ROYALTY PAYMENTS

46,587/\$20.3M

TRAVEL DOCUMENTS

7,839/\$2.12M

CASHIER PAYMENTS

NIH Financial Management Leadership

Alfred C. Johnson, Ph.D.
Chief Financial Officer, NIH
Deputy Director for Management, NIH

Glenda Conroy, CPA, MBA, PMP
Deputy Chief Financial Officer, NIH
Director, OFM, NIH

John E. Davis, MPA
Deputy Director, OFM, NIH

Sarah Allen
Director, Division of Program Management, OFM, NIH

Karen B. Brown
Director, Division of Financial Reporting, OFM, NIH

Cherrie M. Corley
Director, Division of Invoice Payments, OFM, NIH

David Heller
Director, Division of Reimbursable Activity and Collections, OFM, NIH

Shalini T. Kapur
Director, Division of Central Services Business Operations, OFM, NIH

Maritza Zeiberg
Director, Division of Policy and Quality, OFM, NIH

NIH Summary Statement of Financial Condition

	2022	2021
ASSETS (NOTE 2):		
INTRAGOVERNMENTAL:		
FUND BALANCE WITH TREASURY	\$ 56,562,195,883.78	\$ 52,164,613,337.86
INVESTMENTS, NET	\$ 29,191,162.53	\$ 29,221,553.73
ACCOUNTS RECEIVABLE, NET	\$ 23,573,815.36	\$ 26,632,090.57
ADVANCES AND PREPAYMENTS	\$ 104,483,507.67	\$ 104,483,507.67
Total Intragovernmental	\$ 56,734,343,713.24	\$ 52,324,950,489.83
OTHER THAN INTRAGOVERNMENTAL:		
ACCOUNTS RECEIVABLE, NET	\$ 1,504,706.43	\$ 8,301,034.17
INVENTORY AND RELATED PROPERTY, NET	\$ 3,898,084.51	\$ 2,710,228.73
GENERAL PROPERTY, PLANT, AND EQUIPMENT, NET	\$ 1,770,139,477.74	\$ 1,817,338,911.25
ADVANCES AND PREPAYMENTS	\$ 6,132,223.85	\$ 7,086,842.48
OTHER ASSETS:		
OTHER	\$ 100,300.00	\$ 100,300.00
TOTAL OTHER THAN INTRAGOVERNMENTAL	\$ 1,781,774,792.53	\$ 1,835,537,316.63
Total Assets	\$ 58,516,118,505.77	\$ 54,160,487,806.46
STEWARDSHIP PP&E		
LIABILITIES:		
INTRAGOVERNMENTAL:		
ACCOUNTS PAYABLE	\$ 74,422,098.72	\$ 46,087,766.43
ADVANCES FROM OTHERS AND DEFERRED REVENUE	\$ 951,227,218.04	\$ 741,526,455.97
OTHER LIABILITIES	\$ 63,135,319.04	\$ 67,689,514.86
Total Intragovernmental	\$ 1,088,784,635.80	\$ 855,303,737.26
OTHER THAN INTRAGOVERNMENTAL:		
ACCOUNTS PAYABLE	\$ 470,811,227.45	\$ 358,182,726.56
FEDERAL EMPLOYEE AND VETERAN BENEFITS PAYABLE	\$ 314,233,528.48	\$ 326,109,739.37
ENVIRONMENTAL AND DISPOSAL LIABILITIES	\$ 258,656,000.00	\$ 272,680,000.00
ADVANCES FROM OTHERS AND DEFERRED REVENUE	\$ 213,513,157.38	\$ 187,846,321.86
OTHER LIABILITIES:		
ACCRUED LIABILITIES	\$ 1,317,794,163.83	\$ 2,733,427,516.07
OTHER	\$ 155,571,732.05	\$ 151,101,326.89
TOTAL OTHER THAN INTRAGOVERNMENTAL	\$ 2,730,579,809.19	\$ 4,029,347,630.75
Total Liabilities	\$ 3,819,364,444.99	\$ 4,884,651,368.01
NET POSITION		
UNEXPENDED APPROPRIATIONS - FUNDS FROM OTHER THAN DEDICATED COLLECTIONS	\$ 47,249,236,522.75	\$ 42,836,963,603.03
TOTAL UNEXPENDED APPROPRIATIONS	\$ 47,249,236,522.75	\$ 42,836,963,603.03
CUMULATIVE RESULTS OF OPERATIONS - FUNDS FROM DEDICATED COLLECTIONS	\$ 964,365,539.41	\$ 439,229,436.99
CUMULATIVE RESULTS OF OPERATIONS - FUNDS FROM OTHER THAN DEDICATED COLLECTIONS	\$ 6,483,151,998.62	\$ 5,999,643,398.43
TOTAL CUMULATIVE RESULTS OF OPERATIONS	\$ 7,447,517,538.03	\$ 6,438,872,835.42
Total Net Position	\$ 54,696,754,060.78	\$ 49,275,836,438.45
Total Liabilities & Net Position	\$ 58,516,118,505.77	\$ 54,160,487,806.46

Assets

As of September 30, 2022, the Total Assets for NIH, representing the value of what NIH owns and manages, were \$58 billion (B). This is an increase of approximately \$4B or 8% since September 30, 2021. NIH's Fund Balance with Treasury was reported at \$56B or 99.7% of NIH's intragovernmental assets.

Liabilities

The Total Liabilities, \$3.8B, represents the amount NIH owes from past transactions or events. This is a decrease of approximately \$1B or 22% since September 30, 2021.

Offsetting Collections

In FY22, NIH received more than \$800 million (M) in Royalties, Cooperative Research and Development Agreements (CRADAs), and Gifts.

NIH FY22 Offsetting Collections

Collection Type	Amount	Number of Deposits
ROYALTIES	\$ 704,388,510.30	963
CONDITIONAL GIFT FUND	\$ 51,158,673.70	217
CRADAS	\$ 50,319,174.92	216
UNCONDITIONAL GIFT FUND	\$ 2,502,833.21	79
Total	\$ 808,369,192.13	1,475

Interagency Agreements (IAAs)

NIH administered more than \$2.8B in IAAs in FY22. Of that amount, NIH bought nearly \$1B in services from other federal entities, and sold more than \$1.9B to other federal entities. An IAA is an agreement document between federal agencies that defines cooperative work between the entities.

NIH FY22 Amount Transferred

FY22 IAAs	Amount Transferred	Number of IAAs
TYPE A IAA (NIH Buyer)	\$ 996,395,105.72	9,596
TYPE X IAA (NIH Seller)	\$ 1,878,850,764.51	3,920
Total	\$ 2,875,245,870.23	13,516

Payments Overview

NIH FY22 Invoice Payments Excluding Payroll

Payment Type	Payments Value	% of Total Dollar Value	Transaction Count	% of Total Transactions Count
GRANT PAYMENTS	\$ 31,991,606,977.99	79.48%	89,544	11.25%
VENDOR PAYMENTS	\$ 7,347,207,129.24	18.25%	135,945	17.08%
ROYALTY PAYMENTS	\$ 331,634,310.12	0.82%	1,288	0.16%
P-CARD PURCHASES	\$ 277,391,838.58	0.69%	332,199	41.73%
FELLOWSHIP PAYMENTS	\$ 262,286,142.13	0.65%	119,695	15.04%
TRAVEL	\$ 20,394,950.71	0.05%	46,587	5.85%
GRANT REVIEWER	\$ 16,188,237.63	0.04%	50,817	6.38%
RESEARCH VOLUNTEERS	\$ 2,671,014.72	0.01%	20,002	2.51%
Total Invoice Payments	\$ 40,249,380,601.12	100%	796,077	100%

Supporting Cutting-Edge Medical Research

OFM managed the \$1B funding transfer from HHS, Office of the Secretary in support of the new Advanced Research Projects Agency for Health (ARPA-H) initiative. The goal of ARPA-H is to drive transformational innovation in health technologies and accelerate health breakthroughs to prevent, detect, and treat diseases, including cancer, Alzheimer’s, and diabetes. OFM supported the new initiative by collaborating with ARPA-H, NBS, and OB to define and create new ARPA-H specific accounting setups within NBS. As a result, NIH accounted for the initial \$1B funding transfer accurately, allowing for the processing of ARPA-H financial transactions and financial reporting.

FEATURED OFM PARTNERSHIPS

- **OFM successfully led organizational transformation partnering with NIH and HHS senior leaders to manage critical grant processing challenges impacting 6 years and \$150B in NIH’s Federal Financial Reporting (FFR). This effort has enhanced the accuracy and efficiency of internal NIH financial reporting controls.**
- **Partnered with the Administration for Children and Families (ACF) on Inter/Intra-Agency Agreements (IAAs) to effectively manage more than \$1M in personnel and travel costs for 45 volunteers working on the Unaccompanied Minors at the Southwest Border and Operation Allies Welcome programs.**
- **OFM collaborated with NBS and Office of Acquisitions and Logistics Management (OALM) to implement HHS’ FY2022 Capitalization Threshold Policy change which increased from \$10K to \$100K for Personal Property Assets. In result, NIH saved resources and retired accounting for approximately 10K assets that no longer required tracking.**
- **Partnered to re-engineer the HHS CFO audit findings corrective action tracking system and replaced an antiquated process with a more efficient system. Tested the platform to ensure full integration to track in real-time all HHS assigned NIH financial risks and remediation efforts.**
- **Worked with HHS to pilot the new Intra-Departmental Delegations of Authority (IDDA) HHS 330 review and approval process across all HHS OPDIVS to include a fully integrated system, keeping track of IDDA’s in one location and automatically saving and archiving IDDA’s.**
- **Partnered with OB to accomplish Year-End Close (YEC) Nonrecurring Expenses Fund Transfers - 25 Treasury Account Symbol, \$286M in October coincident with YEC.**

External Audit Report

Ernst & Young (EY) performed the annual financial statement audit for the Department of Health and Human Services (HHS), as required by the Chief Financial Officers Act of 1990. As one Operating Division within HHS, NIH financial reports are consolidated and presented to HHS. Based on its audit, EY found that the FY22 HHS financial statements were presented fairly, in all material respects, in conformity with U.S. Generally Accepted Accounting Principles. The audited HHS FY22 Financial Statements are located within the **HHS Agency Financial Report**.

Administration of NIH COVID-19 Funding

In FY22, NIH received approximately \$1.9B in Intra Departmental Delegation of Authority funds to continue COVID-19 research efforts. By leveraging Robotic Process Automation, OFM successfully utilized the COVID-19 Obligations Audit Tracking Bot to monitor appropriations, disbursements, and obligations to perform internal controls assessments and ensure compliance with guidance and directives.

COVID-19 Spending by Object Class Code

Object Class Category	Total in FY22
GRANTS, SUBSIDIES, AND CONTRIBUTIONS	\$ 1,554,149,424.13
OTHER SERVICES FROM NON-FEDERAL SOURCES	\$ 311,551,439.38
RESEARCH AND DEVELOPMENT CONTRACTS	\$ 261,937,067.65
OPERATION AND MAINTENANCE OF FACILITIES	\$ 197,494,553.00
ADVISORY AND ASSISTANCE SERVICES	\$ 40,585,871.84
OTHER GOODS AND SERVICES FROM FEDERAL SOURCES	\$ 21,811,814.56
SUPPLIES AND MATERIALS	\$ 17,916,154.19
EQUIPMENT	\$ 7,706,351.94
LAND AND STRUCTURES	\$ 4,557,846.23
FULL-TIME PERMANENT	\$ 1,948,243.93
SPECIAL PERSONAL SERVICES PAYMENTS	\$ 1,157,349.76
OPERATION AND MAINTENANCE OF EQUIPMENT	\$ 1,076,618.04
MEDICAL CARE	\$ 1,073,696.37
CIVILIAN PERSONNEL BENEFITS	\$ 989,605.77
OTHER THAN FULL-TIME PERMANENT	\$ 513,027.02
TRAVEL AND TRANSPORTATION OF THINGS	\$ 199,454.50
OTHER PERSONNEL COMPENSATION	\$ 75,979.40
TRAVEL AND TRANSPORTATION OF PERSONS	\$ 9,921.95
COMMUNICATIONS, UTILITIES, AND MISCELLANEOUS CHARGES	\$ 28.80
INTEREST AND DIVIDENDS	\$ 24.31
Grand Total	\$ 2,424,754,472.77

1. Data includes obligations from carryover funds for Multi Year and No Year funds
 2. Includes IDDA funding for COVID Obligations

Due to Treasury mandates, two major changes occurred in FY22 impacting the NIH financial management community.

G-invoicing and Invoice Processing Platform (IPP) were implemented at NIH. These two projects have been in the works for the past several years and signal a change in the way we do business by leveraging government-wide Treasury mandated technology. Across the NIH financial community and by collaborating with other federal agencies and vendors, we have worked together to ask the right questions, identify project challenges, and develop solutions. The implementation of G-invoicing and IPP would not have been possible without the partnerships between NBS, OALM, OFM and our IC colleagues.

G-Invoicing impacts how we conduct buy/sell transactions with other federal agencies and has had a big impact on the NIH financial and budget workforce. G-invoicing provides one system of record for Interagency Agreements (IAAs). Phase 1 of G-invoicing focused on implementation of new orders (7600Bs) in the application. Many business processes were affected by the implementation of G-invoicing, which resulted in new processes being developed and establishing and delivering new system training. The implementation team continues to work closely with the IAA community across all ICs supporting a smooth transition across NIH. We have experienced a positive increase in the usage of G-invoicing as stabilization continues. Phase 2 of G-invoicing will focus on “in-flight” orders, meaning those orders that originated or began outside of the G-invoicing application and may require conversion to the G-invoicing application. In addition, the project team will work together to identify a solution for streamlining N-Type agreements (those agreements within NIH such as between two NIH ICs).

G-Invoicing Initiative Status Update



G-Invoicing for New Orders (against old or new Agreements): *October 2022*

- Training for NIH IAA community
- Stabilization (ongoing)

Stabilization Support:

- Weekly Thursday @ 2PM meetings with community

G-Invoicing for In-Flight Orders: *October 2023*

- Kickoff and Planning in progress
- Data Analysis of in-flight Orders in progress
- Outreach to ICs will be needed to assess approach for in-flight Orders
- Configure, test, deploy, and train COTS capabilities
- Update data and test capabilities for in-flight IAAs and orders

The second major project launch, implementing **Treasury's Invoice Processing Platform (IPP)**, impacts how NIH pays and receives commercial vendor invoices. IPP provides one integrated, secure system to simplify the management of vendor invoices. As a result of implementing IPP, NIH onboarded over 4,000 vendors and over \$2.1B invoices were paid in Phase 1. By Q2 FY23, the remaining 2,500 vendors will be onboarded to IPP which will conclude the IPP vendor rollouts. In FY23, Phase 2 of the project will focus on optimizing workflows. The project team will review current NIH invoicing processes to identify areas for improvement. Our goal is to transition fully to the electronic process by Q2 FY23.

IPP Phase 1 Vendor Onboarding Approach

	Wave 2	Wave 3	Wave 4	Wave 5
Fiscal Year	Q3 FY'22	Q4 FY'22	Q1 FY'23	Q2 FY'23
Calendar Year	JUN 2022	OCT 2022	DEC 2022/JAN 2023	FEB 2023
Vendors Added in Wave	Approximately 1,000	Approximately 3,200	Approximately 1,500	Approximately 2,500
Total Vendors Onboarded	Approximately 1,000	Approximately 4,200	Approximately 5,700	Approximately 8,200
Selection Criteria for included Vendors:	40% of Vendors already enrolled with IPP AND In top 40% of vendors (by open obligation amount)	60% of Vendors already enrolled with IPP AND In bottom 60% of vendors (by open obligation amount)	50% of Vendors not enrolled with IPP at start of vendor rollouts AND In top 50% of vendors (by open obligation amount)	Remaining Vendors that have open obligation balances in NBS
Impact:	40% of IPP-enrolled Vendors 95% of the Open Obligations of the IPP enrolled Vendors	60% of IPP-enrolled Vendors Remaining 5% of the Open Obligations of IPP enrolled Vendors	50% of vendor that are not enrolled in IPP at the beginning 98% of remaining Open Obligations	Concludes IPP vendor rollouts

Existing vendors will be onboarded by Wave. New vendors will be onboarded immediately upon award.

