

NIH FINANCIAL MANAGEMENT REPORT

FISCAL YEAR 2020

The NIH Fiscal Year 2020 (“FY20”) Financial Management Report (“Report”) provides fiscal and summary performance results to **highlight the accomplishments and progress** made for the reporting period October 1, 2019 through September 30, 2020.

NIH FY20 Enacted Budget by IC (in thousands)

IC	FY 20	Percent of Total
NCI	\$ 6,440,442.00	15.47%
NIAID	\$ 5,885,470.00	14.14%
NHLBI	\$ 3,624,258.00	8.70%
NIA	\$ 3,543,673.00	8.51%
NIGMS	\$ 2,937,218.00	7.05%
NINDS	\$ 2,444,687.00	5.87%
OD	\$ 2,409,387.00	5.79%
NIDDK	\$ 2,210,889.00	5.31%
NIMH	\$ 2,038,374.00	4.90%
NICHD	\$ 1,556,879.00	3.74%
NIDA	\$ 1,462,016.00	3.51%
NIEHS	\$ 883,598.00	2.12%
NCATS	\$ 832,888.00	2.00%
NEI	\$ 824,090.00	1.98%
NIAMS	\$ 624,889.00	1.50%
NHGRI	\$ 606,349.00	1.46%
NIAAA	\$ 545,373.00	1.31%
NIDCD	\$ 490,692.00	1.18%
NIDCR	\$ 477,429.00	1.15%
NLM	\$ 456,911.00	1.10%
NIBIB	\$ 403,638.00	0.97%
NIMHD	\$ 335,812.00	0.81%
B+F	\$ 200,000.00	0.48%
NINR	\$ 169,113.00	0.41%
NCCIH	\$ 151,740.00	0.36%
FIC	\$ 80,760.00	0.19%
Total	\$ 41,636,575.00	100.00%

NIH has one of the largest agency discretionary budgets in the federal government at \$41.6B in FY20.

Funds are appropriated to each of the 27 Institutes and Centers (ICs). Annual appropriations for the ICs range from just over

\$80M (FIC)
to more than **\$6.4B** (NCI).

In addition, NIH received approximately

\$3.6B
COVID-19 funding
in FY20



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



During FY20, the COVID-19 pandemic brought about unparalleled challenges for all Americans. NIH has been at the forefront of discovering and developing new tests, vaccines, and treatments to combat the virus. During this unprecedented year, the Financial Management Community continued to support the mission of the NIH by overseeing all financial transactions that support our scientific activities. I am proud of the dedication, innovation, and commitment that our staff have shown, particularly during this difficult time.”



Glenda Conroy, CPA, MBA, PMP
Deputy Chief Financial Officer, NIH
Director, Office of Financial
Management (OFM), NIH



Every year, to support the vital mission of the NIH, the Financial Management Community is tasked with certain responsibilities and functions. This past year, despite unprecedented challenges, our community rose to the challenge and demonstrated great agility in ensuring sound management of assets. In addition, we worked quickly and effectively to improve our processes to ensure vendors were paid in a timely manner and partnered with the NIH Clinical Center (CC) to effectively provide cashier support to the CC patients during stay-at-home orders due to the COVID-19 pandemic. I look forward to all that we will accomplish together in the coming year to continue to advance scientific research and to support the mission of the NIH.”



FINANCIAL SUMMARY

NIH Research and Other Grants

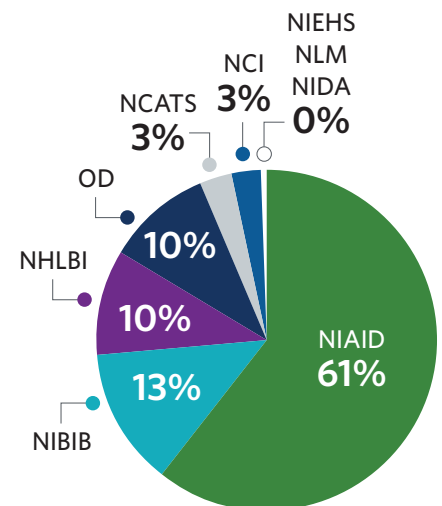
*Excludes awards issued using supplemental Coronavirus (COVID-19) appropriations.

Research Grants and Other Mechanisms	Total Number of Awards ⁸	Total Funding ¹	Average Funding ⁹
Research Grants ²	50,046	\$29,256,433,921	\$584,591
Fellowships ⁴	3,980	\$189,428,050	\$47,595
Training Grants ⁵	1,944	\$716,845,013	\$368,747
Other Awards ⁷	189	\$542,919,245	\$2,872,589
Construction ⁶	10	\$55,043,091	\$5,504,309
Total	56,169	\$30,760,669,320.00	\$9,377,830.97

- ¹ Total Funding Funding amount for each fiscal year, and not for the life of the project. Includes awards made with Direct Budget Authority, Superfund Budget Authority, Reimbursable funds and other sources. Includes award amounts for both competing and noncompeting awards.
- ² Research Grants Defined as extramural awards made for Research Centers, Research Projects, Small Business Innovation Research/Small Business Technology Transfer (SBIR/STTR) Grants, and Other Research Grants. Research grants are defined by the following activity codes: R,P,M,S,K,U (excluding UC6), DP1, DP2, DP3, DP4, DP5, D42 & G12.
- ⁴ Fellowships Defined as activity codes F05, F30, F31, F32, F33, F34, F37, F38 and F99. Not all of these activities may be in use by NIH every year.
- ⁵ Training Grants Defined as activity codes T01, T02, T09, T14, T15, T32, T34, T35, T36, T37, T42, T90, TL1, TL4 and TU2. Not all of these activities may be in use by NIH every year.
- ⁶ Construction Grants Defined as activity codes C06, UC6 and G20. Not all of these activities may be in use by NIH every year.
- ⁷ Other Awards Defined as activity codes D43, D71, G07, G08, G11, G13, OT2 and OT3. Not all of these activities may be in use by NIH every year.
- ⁸ Total Number of Awards The total number of awards is intended to show the number of unique projects funded. The number of awards for noncompeting supplements is excluded from the total number of awards because these supplements support existing projects, without expanding the scope of work with exception for Other Transaction Authority (OTA) awards which are included. However, the number of awards for competing supplements is included in the total number of awards because these supplements represent expanded scope of work on existing projects. Similarly, for contracts, the number of noncompeting modifications is not included in the total number of awards because these modifications support existing projects, without expanding the scope of work.
- ⁹ Average Funding Funding amount for each fiscal year, and not for the life of the project. Includes awards made with Direct Budget Authority, Superfund Budget Authority, Reimbursable funds and other sources. Includes award amounts for both competing and noncompeting awards and contracts.

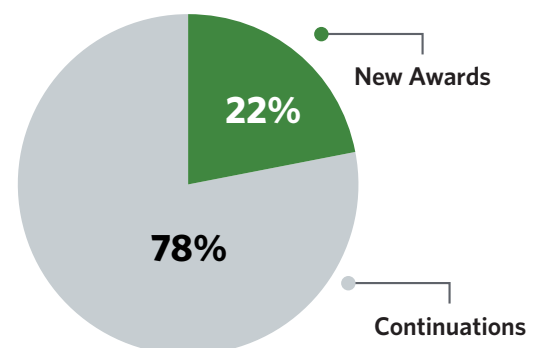
COVID-19 Obligation Amounts by Institute/Center (IC)

IC	Total in FY20
NIAID	\$1,907,327,903
NIBIB	\$414,604,448
NHLBI	\$319,248,148
OD	\$292,436,145
NCATS	\$81,720,998
NCI	\$80,382,036
NIEHS	\$6,276,982
NLM	\$5,738,757
NIDA	\$500,000
Grand Total	\$3,108,235,417



NIH Grant Obligations New/Continuations (FY20)

New/Continuations	Total Number of Awards	Total Funding	% of Total Funding
New Awards (Competing)	12,933	\$6,509,298,735	22%
Continuations & Supplements	40,838	\$22,747,135,186	78%
TOTAL GRANT MECHANISM	53,771	\$29,256,433,921	100%



NIH FY20 and FY19 Obligations by Major Object Class Category

Object Class Category	FY20	FY20 % of Total	FY19	FY20-FY19 % Change
GRANTS, SUBSIDIES, AND CONTRIBUTIONS	\$ 32,783,012,963	67.08%	\$ 29,668,091,960	10%
OTHER GOODS AND SERVICES FROM FEDERAL SOURCES	\$ 3,465,484,551	7.09%	\$ 3,237,425,429	7%
OTHER SERVICES FROM NON-FEDERAL SOURCES	\$ 3,408,867,038	6.98%	\$ 2,364,802,804	44%
RESEARCH AND DEVELOPMENT CONTRACTS	\$ 2,005,886,594	4.10%	\$ 1,573,027,479	28%
FULL-TIME PERMANENT	\$ 1,545,335,938	3.16%	\$ 1,443,584,647	7%
ADVISORY AND ASSISTANCE SERVICES	\$ 1,448,540,710	2.96%	\$ 1,129,721,263	28%
CIVILIAN PERSONNEL BENEFITS	\$ 782,806,709	1.60%	\$ 695,119,228	13%
OTHER THAN FULL-TIME PERMANENT	\$ 620,620,385	1.27%	\$ 596,052,383	4%
SUPPLIES AND MATERIALS	\$ 513,783,165	1.05%	\$ 465,951,349	10%
FINANCIAL TRANSFERS	\$ 492,000,000	1.01%	\$ 0	N/A
OPERATION AND MAINTENANCE OF EQUIPMENT	\$ 359,447,921	0.74%	\$ 357,498,663	1%
EQUIPMENT	\$ 292,186,785	0.60%	\$ 252,626,763	16%
SPECIAL PERSONAL SERVICES PAYMENTS	\$ 218,083,988	0.45%	\$ 211,183,891	3%
OPERATION AND MAINTENANCE OF FACILITIES	\$ 196,526,877	0.40%	\$ 402,362,951	-51%
LAND AND STRUCTURES	\$ 185,631,924	0.38%	\$ 12,939,113	1335%
COMMUNICATIONS, UTILITIES, AND MISCELLANEOUS CHARGES	\$ 138,675,904	0.28%	\$ 138,965,606	0%
OTHER PERSONNEL COMPENSATION	\$ 114,215,799	0.23%	\$ 114,180,184	0%
RENTAL PAYMENTS TO GSA	\$ 85,253,420	0.17%	\$ 83,132,662	3%
RENTAL PAYMENTS TO OTHERS	\$ 70,975,852	0.15%	\$ 78,770,660	-10%
MEDICAL CARE	\$ 52,519,459	0.11%	\$ 50,810,910	3%
TRAVEL AND TRANSPORTATION OF PERSONS	\$ 28,005,911	0.06%	\$ 68,300,072	-59%
MILITARY PERSONNEL	\$ 26,382,879	0.05%	\$ 27,580,727	-4%
MILITARY PERSONNEL BENEFITS	\$ 19,800,256	0.04%	\$ 21,107,469	-6%
TRAVEL AND TRANSPORTATION OF THINGS	\$ 12,635,381	0.03%	\$ 10,883,846	16%
BENEFITS FOR FORMER PERSONNEL	\$ 1,218,000	0.00%	\$ -632,788	-292%
INTEREST AND DIVIDENDS	\$ 598,367	0.00%	\$ 636,868	-6%
PRINTING AND REPRODUCTION	\$ 215,713	0.00%	\$ 307,810	-30%
SUBSISTENCE AND SUPPORT OF PERSONS	\$ 46,729	0.00%	\$ 0	N/A
INSURANCE CLAIMS AND INDEMNITIES	\$ 1,287	0.00%	\$ 5,748	-78%
ADVANCES	\$ 1,180	0.00%	\$ 222,743	-99%
OTHER - UNVOUCHERED		0.00%	\$ 0	N/A
OTHER - BUDGET		0.00%	\$ -400,085,475	-100%
LEAVE BALANCES TRANSFERRED IN/OUT		0.00%	\$ 39	-100%
SALES OF GOODS SOLD		0.00%	\$ 36,879	-100%
NOT OTHERWISE CLASS		0.00%	\$ 658,022,965	-100%
Grand Total*	\$ 48,868,761,685	100%	\$ 43,262,634,849	13%

*Includes Carryover Funds

MAJOR ACTIVITIES

COVID-19

NIH received **approximately \$3.6B** to address the COVID-19 pandemic in FY20. NIH established a dedicated resource to oversee all COVID-19 funds activity including providing reports, ensuring compliance with guidance and directives, identifying risks, and performing internal controls documentation and testing and reporting results to management and other external parties as requested.

OFM used Robotic Process Automation software to create a Bot to monitor COVID-19 funds and Operation Warp Speed appropriations, commitments, obligations, and disbursements. The Bot enables NIH to respond to quarterly data calls from the immediate office of the Secretary in a timely manner with minimal human effort. In addition, the Bot allows OFM to monitor, identify, and mitigate audit risks associated with these funds.

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 FY20 HHS financial statements

were presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles. The audited HHS FY20 Financial Statements are located within the **HHS Agency Financial Report**.

Corrective Actions

In FY20, NIH addressed significant deficiencies noted in past audits regarding issues with manual adjustments, Fund Balance with Treasury (FBWT) reconciliations, and Undelivered Orders (UDO). NIH continued its efforts to resolve manual adjustment deficiencies in the NIH Business System (NBS) and processes which resulted in a reduction of \$133.9B (24%) in financial adjustments from FY19. NIH continued to develop an end-to-end central accounting solution, improved and expedited transaction processing, and reduced the variances of the FBWT reconciliation by 50% from FY19 to FY20. NBS' automatic rollovers of multi-year and X-year funds resulted in a 16% decrease in positive (abnormal) absolute value UDO lines from FY19 to FY20.

By collaborating with the HHS Corrective Action Planning team, OFM successfully justified cancellation of three external audit findings in the NIH deficiencies inventory. In FY20, this effort along with documenting risk acceptance and remediation completion of three other findings, resulted in the removal of 50% of open findings in the NIH deficiency inventory, which includes findings since FY15.

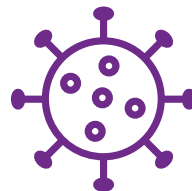
COVID-19 Spending by Object Class Code

Object Class Category	Total in FY20
GRANTS, SUBSIDIES, AND CONTRIBUTIONS	\$ 1,948,892,998
OTHER SERVICES FROM NON-FEDERAL SOURCES	\$ 414,604,448
RESEARCH AND DEVELOPMENT CONTRACTS	\$ 572,283,013
SUPPLIES AND MATERIALS	\$ 469,463,634
OTHER GOODS AND SERVICES FROM FEDERAL SOURCES	\$ 71,270,587
ADVISORY AND ASSISTANCE SERVICES	\$ 15,442,066
EQUIPMENT	\$ 11,576,809
MEDICAL CARE	\$ 2,709,449
OPERATION AND MAINTENANCE OF EQUIPMENT	\$ 934,745
OTHER THAN FULL-TIME PERMANENT	\$ 832,379
SPECIAL PERSONAL SERVICES PAYMENTS	\$ 766,407
TRAVEL AND TRANSPORTATION OF THINGS	\$ 403,152
CIVILIAN PERSONNEL BENEFITS	\$ 321,141
OTHER PERSONNEL COMPENSATION	\$ 75,367
TRAVEL AND TRANSPORTATION OF PERSONS	\$ 72,620
INTEREST AND DIVIDENDS	\$ 5,917
PRINTING AND REPRODUCTION	\$ 596
Grand Total	\$ 3,108,235,417

Did You Know

New in 2020

OFM's website features a **Food and Beverage Frequently Asked Questions** document that clarifies how to use funds in accordance with NIH policy. The OFM policy team is available to provide additional assistance at OFMpolicysupport@nih.gov.



LOOKING AHEAD

The future of financial management at NIH is bright! We look forward to embracing new technologies, increasing transparency, and collaborating with our partners across the NIH enterprise and government wide.

To highlight two projects on the horizon for the NIH Financial Management Community in FY21: First, **G-Invoicing**, a new data exchange platform developed to ensure federal Agencies communicate with one another. G-Invoicing will serve as a central repository to support the accounting of Buy/Sell transaction events and is scheduled to be fully implemented by early FY23. Second, **e-Invoicing** (also known as the Invoice Processing Platform (IPP)), is a web-based system that provides one integrated, secure system to simplify managing vendor invoices, scheduled to be fully implemented by FY22. These two large-scale initiatives promise increased efficiency and will result in a collaborative effort that leverages the skills and knowledge of both OFM and its partner, NBS.

Timeline

NIH's Treasury Compliance

10/1/2014
Treasury GTAS Reporter

1/1/2015
Treasury Partial CARS Reporter

2/29/2016
Treasury Full CARS Reporter

10/15/2019
Fund Configuration Initiative Go Live

12/5/2019
Phase I CARS Go Live

NBS System

2/2/2015
NBS Partial CARS Reporter Functionality Go Live

6/5/2015
NBS R12 Upgrade Go Live

2/24/2016
NBS Full CARS Reporter Functionality Phase I Go Live

5/15/2016
NBS Full CARS Reporter Functionality Phase II Go Live

12/1/2016
NBS GTAS Functionality Go Live

10/14/2018
Data Act Reporting from NBS

2014

2015

2016

2017

2018

2019

2020

2021

2022

2023

12/31/2021
Utilize E-Invoicing Platform

10/1/2022
G-Invoicing Mandatory Go Live for New Orders

10/1/2023
G Invoicing Mandatory In Flight Orders Go Live

RESOURCES

- HHS Agency FY20 Financial Report: <https://www.hhs.gov/sites/default/files/fy-2020-hhs-agency-financial-report.pdf>
- NIH Office of Financial Management: <https://ofm.od.nih.gov/Pages/Home.aspx>
- NIH Office of Budget: <https://officeofbudget.od.nih.gov/cy.html>
- Treasury's GTAS site: <https://fiscal.treasury.gov/gtas/>
- Treasury's CARS site: <https://fiscal.treasury.gov/cars/>
- Treasury's Invoicing Processing Platform (IPP) site: <https://www.ipp.gov/>
- G-Invoicing site: <https://fiscal.treasury.gov/g-invoice/>