

NIH FINANCIAL MANAGEMENT REPORT

FISCAL YEAR 2021

The National Institutes of Health (NIH) Fiscal Year 2021 (FY21) 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

FY21

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



21 Reconciliations
17 QUARTERLY REPORTS
14 MONTHLY REPORTS

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

CERTIFIED
340



OVER **35,000** 1099s/1042s/W2s BY THE IRS DEADLINE

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

WITH TOTAL ASSETS OF **\$53.5B** & EXCHANGE REVENUE OF **\$495M**

1,434/
\$12M
ROYALTIES

2,000/
\$1.7M
IN TRAVEL DOCUMENTS

5,000/
\$1.4M
CASHIER PAYMENTS

PROCESSED

85,000/\$5.9B

INVOICE PAYMENTS

262,000/\$212M

PURCHASE CARD TRANSACTIONS

27,000/\$2M

RESEARCH VOLUNTEER 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
Acting Director, Division of Central Services Business Operations, OFM, NIH

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

FINANCIAL SUMMARY

NIH Summary Statement of Financial Condition

	2021	2020
ASSETS:		
INTRAGOVERNMENTAL:		
FUND BALANCE WITH TREASURY	\$ 52,164,613,337.86	\$ 49,961,917,115.98
INVESTMENTS, NET	\$ 29,221,553.73	\$ 31,272,922.41
ACCOUNTS RECEIVABLE, NET	\$ 26,632,090.57	\$ 13,455,705.28
ADVANCES AND PREPAYMENTS	\$ 104,483,507.67	\$ 87,224,533.68
Total Intragovernmental	\$ 52,324,950,489.83	\$ 50,093,870,277.35
WITH THE PUBLIC:		
ACCOUNTS RECEIVABLE, NET	\$ 8,301,034.17	\$ 1,253,586.15
INVENTORY AND RELATED PROPERTY, NET	\$ 2,710,228.73	\$ 2,973,507.78
GENERAL PROPERTY, PLANT, AND EQUIPMENT, NET	\$ 1,817,338,911.25	\$ 1,833,710,879.49
ADVANCES AND PREPAYMENTS	\$ 7,086,842.48	\$ 2,063,636.73
OTHER ASSETS:		
OTHER	\$ 100,300.00	\$ 100,300.00
TOTAL WITH THE PUBLIC	\$ 1,835,537,316.63	\$ 1,840,101,910.15
Total Assets	\$ 54,160,487,806.46	\$ 51,933,972,187.50
STEWARDSHIP PP&E		
LIABILITIES:		
INTRAGOVERNMENTAL:		
ACCOUNTS PAYABLE	\$ 58,036,430.94	\$ 32,105,011.59
ADVANCES FROM OTHERS AND DEFERRED REVENUE	\$ 741,526,455.97	\$ 681,323,435.05
OTHER LIABILITIES	\$ 55,740,850.35	\$ 42,204,438.97
Total Intragovernmental	\$ 855,303,737.26	\$ 755,632,885.61
WITH THE PUBLIC:		
ACCOUNTS PAYABLE	\$ 358,182,726.56	\$ 289,405,472.84
FEDERAL EMPLOYEE AND VETERAN BENEFITS PAYABLE	\$ 326,109,739.37	\$ 305,364,693.48
ENVIRONMENTAL AND DISPOSAL LIABILITIES	\$ 272,680,000.00	\$ 160,300,000.00
ADVANCES FROM OTHERS AND DEFERRED REVENUE	\$ 187,846,321.86	\$ 165,932,024.20
OTHER LIABILITIES:		
ACCRUED LIABILITIES	\$ 2,733,427,516.07	\$ 2,492,038,845.14
OTHER	\$ 151,101,326.89	\$ 141,965,129.13
TOTAL WITH THE PUBLIC	\$ 4,029,347,630.75	\$ 3,555,006,164.79
Total Liabilities	\$ 4,884,651,368.01	\$ 4,310,639,050.40
NET POSITION		
UNEXPENDED APPROPRIATIONS - FUNDS FROM OTHER THAN DEDICATED COLLECTIONS	\$ 42,836,963,603.03	\$ 41,691,122,674.21
TOTAL UNEXPENDED APPROPRIATIONS	\$ 42,836,963,603.03	\$ 41,691,122,674.21
CUMULATIVE RESULTS OF OPERATIONS - FUNDS FROM DEDICATED COLLECTIONS	\$ 439,229,436.99	\$ 416,542,674.23
CUMULATIVE RESULTS OF OPERATIONS - FUNDS FROM OTHER THAN DEDICATED COLLECTIONS	\$ 5,999,643,398.43	\$ 5,515,667,788.66
TOTAL CUMULATIVE RESULTS OF OPERATIONS	\$ 6,438,872,835.42	\$ 5,932,210,462.89
Total Net Position	\$ 49,275,836,438.45	\$ 47,623,333,137.10
Total Liabilities & Net Position	\$ 54,160,487,806.46	\$ 51,933,972,187.50

FINANCIAL SUMMARY

Assets

As of September 30, 2021, the Total Assets for NIH, representing the value of what NIH owns and manages, were \$54B. This is an increase of approximately \$2.2B or 4% since September 30, 2020. NIH's Fund Balance with Treasury was reported at \$52B or 99.7% of NIH's total assets.

Liabilities

The Total Liabilities, \$4.8B, represents the amount NIH owes from past transactions or events.

FEATURED HHS PARTNERSHIPS

- Collaborated with HHS' Data Standardization Working Group to develop a new reimbursable Accounting Treatment Manual scenario for the NIH OD Business and Professional Support Services, financed within the NIH SSF, which has provided COVID-19 assisted acquisition contract support of approximately \$400M in FY21 to the HHS Office of the Secretary.
- Partnered with the HHS Administration for Children and Families and effectively managed the IAA for the Unaccompanied Children Program, covering all personnel costs for 400 NIH volunteer-detailees during their deployment. Travel costs totaled \$9M with 294 Individual Billed Account applications processed.
- Positioned NIH as the first OPDIV within HHS to develop and implement a Prompt Payment Interest Expense Policy, improving accuracy in accounting for and resolution of interest expense payments.

Payments Overview

NIH FY21 Invoice Payments Excluding Payroll

Payment Type	Payments Value	% of Total Dollar Value	Transaction Count	% of Total Transactions Count
GRANT PAYMENTS	\$ 29,299,612,857	78.46%	\$ 86,651	11.09%
VENDOR PAYMENTS	\$ 7,476,891,286	20.02%	\$ 140,526	17.99%
P-CARD PURCHASES	\$ 275,213,329	0.74%	\$ 340,617	43.59%
FELLOWSHIP PAYMENTS	\$ 254,819,650	0.68%	\$ 117,415	15.03%
GRANT REVIEWER	\$ 17,785,508	0.05%	\$ 55,953	7.16%
ROYALTY PAYMENTS	\$ 13,189,915	0.04%	\$ 1,733	0.22%
TRAVEL	\$ 5,942,737	0.02%	\$ 15,084	1.93%
RESEARCH VOLUNTEERS	\$ 93,953	0.00%	\$ 23,364	2.99%
Total Invoice Payments	\$ 37,343,549,234	100%	\$ 781,343	100%

Offsetting Collections

In FY21, NIH received more than \$225M in Cooperative Research and Development Agreements (CRADAs), Gifts, Royalties, and other collections.

NIH FY21 Offsetting Collections

Collection Type	Amount	Number of Deposits
ROYALTIES	\$ 126,180,466.36	836
CRADA	\$ 53,913,777.33	157
CONDITIONAL GIFT FUND	\$ 39,739,859.50	175
UNCONDITIONAL GIFT FUND	\$ 5,231,826.28	96
PATIENT BENEFITS	\$ 437,645.74	3
Total	\$ 225,503,575.21	1,267

Interagency Agreements (IAAs)

An IAA is an agreement document between federal agencies that defines cooperative work between the entities. NIH administered more than \$2.7B in IAAs in FY21. Of that amount, NIH bought nearly \$1B in services from other federal entities, and sold more than \$1.7M to other federal entities.

NIH FY21 Amount Transferred

FY21 IAAs	Amount Transferred	Number of IAAs
TYPE A IAA (NIH Buyer)	\$ 1,016,609,642	9,490
TYPE X IAA (NIH Seller)	\$ 1,776,611,231	3,157
Total	\$ 2,793,220,873	12,647

MAJOR ACCOMPLISHMENTS

Administration of NIH COVID-19 Funding

Due to the unprecedented nature of the COVID-19 pandemic, in FY21, NIH received approximately \$5.6B in primarily Operation Warp Speed/Intra Departmental Delegation of Authority funds. OFM successfully developed and implemented the COVID-19 Obligations Audit Tracking Bot that uses Robotic Process Automation to monitor appropriations, dispersals, and obligations, and to perform internal controls assessments to ensure compliance with guidance and directives.

COVID-19 Spending by Object Class Code

Object Class Category	Total in FY21
GRANTS, SUBSIDIES, AND CONTRIBUTIONS	\$ 1,759,982,253
OTHER SERVICES FROM NON-FEDERAL SOURCES	\$ 594,332,149
RESEARCH AND DEVELOPMENT CONTRACTS	\$ 566,807,148
ADVISORY AND ASSISTANCE SERVICES	\$ 42,942,871
SUPPLIES AND MATERIALS	\$ 25,670,681
EQUIPMENT	\$ 22,908,192
OTHER GOODS AND SERVICES FROM FEDERAL SOURCES	\$ 15,916,440
MEDICAL CARE	\$ 2,293,807
LAND AND STRUCTURES	\$ 1,983,541
OPERATION AND MAINTENANCE OF EQUIPMENT	\$ 1,235,121
FULL-TIME PERMANENT	\$ 1,032,459
SPECIAL PERSONAL SERVICES PAYMENTS	\$ 617,276
OTHER THAN FULL-TIME PERMANENT	\$ 517,789
CIVILIAN PERSONNEL BENEFITS	\$ 495,751
TRAVEL AND TRANSPORTATION OF THINGS	\$ 321,229
OPERATION AND MAINTENANCE OF FACILITIES	\$ 49,029
OTHER PERSONNEL COMPENSATION	\$ 36,862
COMMUNICATIONS, UTILITIES, AND MISCELLANEOUS CHARGES	\$ 31,453
TRAVEL AND TRANSPORTATION OF PERSONS	\$ 25,111
INTEREST AND DIVIDENDS	\$ 15,879
RENTAL PAYMENTS TO OTHERS	\$ 200
Grand Total	\$ 3,037,215,240

1. Data includes obligations from carryover funds for Multi Year and No Year funds

2. Includes IDDA funding for COVID Obligations

Enhancement of OFM Invoice Tracking Bot

The OFM team enhanced the Invoice Tracking Bot to improve the processing speed of nearly 100,000 invoices and \$4B in total NIH invoice payments. The Invoice Tracking Bot was developed by OFM as a short-term solution to ensure vendors receive payment in a timely manner during the COVID-19 pandemic. NIH is working towards adopting Treasury's Invoice Processing Platform (IPP) as the long-term solution to

efficient invoice payment. OFM has shared its success and knowledge in solving financial challenges through digital transformation with other NIH offices and as well as with other federal agencies.

External Audit Report

Ernst & Young (EY) performed the annual financial statement audit for 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 FY21 HHS financial statements were presented fairly, in all material respects, in conformity with United States generally accepted accounting principles. The audited HHS FY21 financial statements are located within the [FY21 HHS Agency Financial Report](#).

New & Robust Central Services Assessment (CSA) Application

In partnership with the NIH Business System (NBS), OFM deployed the new CSA tool to modernize the NIH Central Services Assessment billing and collection process. NIH ICs and Central Services are assessed over \$2B for central services provided throughout NIH, such as the Clinical Center, Center for Scientific Review, police, fire, network, utilities, rent, etc. Mission-critical business functions are now performed in a secure NBS-integrated environment which minimizes human intervention in preparing assessments, reduces the number of manual entries, and reduces the number of individual transactions in the General Ledger. The CSA and nVision reports now serve as a centralized repository for all Management Fund and Service and Supply Fund (SSF) related assessment information.

Enhancements to Non-NIH Hosted Conference Travel Reporting

In support of the NIH/OFM Senior Travel Official, OFM contributed to the NIH-wide Optimize Travel Initiative and served on the Conference Travel Reporting Workgroup. In collaboration with nVision, NBS, POTS, and AMBIS, the team developed a new Conference Travel Dashboard that leverages NIH enterprise systems (i.e., nVision, NBS, POTS and AMBIS), increases conference reporting accuracy, and ensures continued confidence in NIH's responsible stewardship of taxpayer dollars, while eliminating the pre-approval process. The Conference Travel Dashboard ensures that ICs have accurate data to help make informed decisions regarding conference travel and spending enabling staff to focus their talents on high value mission critical projects elsewhere. In addition, future annual 21st Century Cures Act reports will leverage data from NIH enterprise systems, resulting in more streamlined and accurate data.

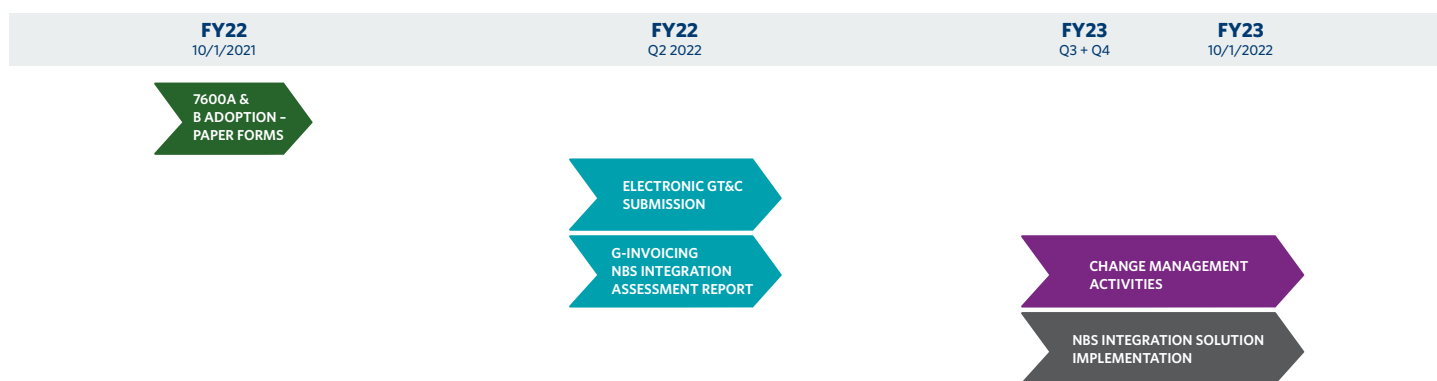
LOOKING AHEAD

As we embark on a new fiscal year, we no doubt will be faced with many challenges, but we are optimistic about the future and in achieving our goals in support of the vital NIH mission. Many positive changes in the financial management arena will occur in FY22 and FY23 that will position OFM to serve the NIH community more efficiently, effectively, and securely.

G-Invoicing Implementation

G-Invoicing is the Department of the Treasury's fully integrated electronic solution which supports the buy/sell standard business process between two federal agencies. G-Invoicing will be the **centralized repository used when federal agencies want to buy and sell goods and services from each other**. With both parties using a common system, there should be fewer inter-governmental accounting differences relating to invoicing, timing, and accruals. OFM along with NBS led critical planning for the platform to ensure NIH establishes secure buy/sell transactions for over 1,400 IAAs totaling approximately \$3B.

On October 1, 2021, NIH adopted new Treasury 7600 A and B forms for IAAs. During FY21, OFM and NBS partnered to ensure that the NIH financial community was prepared to adopt the new 7600 A and B forms. OFM facilitated eight training sessions with 60 NIH IC staff on IAA General Terms and Conditions.



E-Invoicing - Leveraging the Invoice Processing Platform (IPP)

NIH is slated to adopt **IPP**, a secure, web-based service provided by Treasury, allowing for **more efficient processing of approximately \$4B and over 100K invoices electronically generated between NIH and its nearly 10,000 vendors**. NIH will integrate its financial systems with IPP to drive efficiency, transparency, and accuracy. As an NIH co-sponsor of this endeavor with NBS, OFM is working with Treasury and IC stakeholders to help drive this transformational initiative. NIH will begin using IPP in Q2 FY22 and will do so in phases to ensure a smooth transition for vendors.

