

OFFICE OF FINANCIAL RESOURCES

2017

FISCAL YEAR ANNUAL REPORT



**Centers for Disease
Control and Prevention**
Office of the Chief
Operating Officer

OFR's work demonstrates our commitment to engage in best business practices and find solutions to critical business issues. The Annual Report provides a forum to showcase our efforts and accomplishments.

In FY 2017, OFR:

- **Processed over 23,000 contract/grant actions and provided over \$11.9 billion for public health programs.**
- **Awarded over \$660 million in Prevention and Public Health Funds that support core public health programs.**
- **Successfully implemented the Digital Accountability and Transparency Act.**
- **Conducted over 300 briefings, announcements, events, and visits to educate key appropriations offices and Congressional staff.**
- **Trained over 200 international staff on international program funds.**
- **Provided coordination for 112 Controlled Correspondence inquiries.**
- **Coordinated responses to 110 Freedom of Information Act requests and 17 Government Accountability Office and Office of the Inspector General evaluations and audits.**
- **HHS received the fourth consecutive Certificate of Excellence in Accountability Reporting Award from the Association of Government Accountants.**

Director's Letter



In all our endeavors, the Office of Financial Resources (OFR) seeks to provide exemplary focused leadership and fiscal stewardship for managing Centers for Disease Control and Prevention and the Agency for Toxic Substances and Disease Registry (CDC/ATSDR*) appropriations, acquisition, assistance, and financial management processes with accountability and sound business practices. We aid in achieving CDC's mission by quickly and effectively allocating funds to where they are needed, so we can continue to make a critical difference in national and international public health and provide for a common defense of the country against health threats. Last year was no exception to producing another unique

operating environment, yet OFR's core competencies helped empower CDC to quickly and effectively improve health at home and around the world. Through it all we continued to demonstrate financial excellence by helping the Department of Health and Human Services (HHS) receive a clean audit opinion on the overall HHS annual FY 2016 financial audit, for the 18th consecutive year.

The past year presented us with a host of public health challenges that required intense CDC response efforts. CDC continued to support the Zika response and OFR provided critical support. OFR managed over 690 Zika-related acquisition and assistance actions totaling \$381 million in Zika-related funding. OFR also supported responses to hurricanes and tropical storms, through managing funds from the Federal Emergency Management Agency to assist in places like Puerto Rico, Florida, and the U.S. Virgin Islands. When Hurricane Maria devastated Puerto Rico, OFR was essential in awarding a series of emergency aviation contracts that transported over 87 tons of critically needed medical supplies and equipment. OFR staff devoted their time and expertise, which were essential to these response efforts. Staff helped areas affected through their current roles, in the Emergency Operations Center, and in response efforts at home and abroad. These individuals were—and continue to be—essential in ensuring that resources reach affected areas and support CDC's mission to prevent, protect, and defend against public health threats to the American people.

In addition to supporting CDC's response efforts, OFR launched its Three-Year Strategy. OFR's Three-Year Strategy is built on its core values and intentionally designed to be a flexible and dynamic tool that drives real, solution-oriented change in improving public health outcomes and supports CDC's mission. OFR engaged in several activities to support the Three-Year Strategy. For our staff, we held quarterly new employee orientations and provided guidance and trainings on how OFR works in the governmental resource lifecycle to support new team members. OFR launched the Aspiring Leaders Program, which hones participants' skills and develops customer-focused leadership and fiscal stewardship. The first cohort began in July 2017 with second and third cohorts scheduled to begin in 2018. We continue to support financial accountability and integrity with OFR staff and will host OFR Training Days in 2018. Training Days will include presentations by OFR subject matter experts and create a forum for colleagues to share knowledge.

We successfully launched the third year of the Planning and Execution Project (PEP). PEP was built on the strength of OFR's cross-functional teams and promotes joint problem-solving across CDC and strengthens budget, acquisition, and assistance planning. We listened to feedback, made adjustments, and incorporated changes for PEP's third year. We recognized the importance of having team members from across program offices and incorporated CIO staff from across the agency onto the PEP teams. In an effort to continue to improve our customer service delivery, we conducted feedback surveys with all OFR business offices to understand and address customer needs.

I hope you will find the data included here useful and a source of ideas for continuous improvement of our collaboration in support of CDC's public health mission. CDC's success hinges on the ability and commitment of its staff. Fiscal accountability and continuous improvement of assistance and acquisition services, budgeting, and financial management are essential to CDC's progress. OFR staff regularly utilize their expertise in these areas to ensure success when collaborating with programs and cultivating relationships with CDC partners. Since we began operating as OFR, I have felt fortunate to work with such a talented and dedicated staff. I look forward to what we will accomplish in the coming year as we continue to support CDC's public health mission.

A handwritten signature in blue ink, appearing to read "C Capozzola".

Sincerely,

Christa Capozzola
Chief Financial Officer
Director, Office of Financial Resources

*CDC/ATSDR will be referred to as CDC throughout this document.

The Office of Financial Resources Develops a Strategy

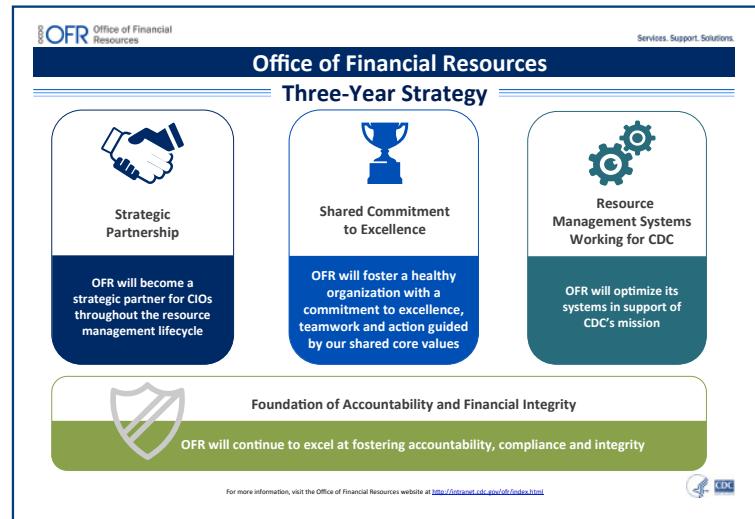
On March 1, 2017, OFR launched its Three-Year Strategy. The strategy is built on six core values and aims to translate OFR's vision and mission into action by focusing on four impact-oriented strategic priorities:

- Strategic Partnership
- Shared Commitment to Excellence
- Resource Management Systems Working for CDC
- Foundation of Accountability and Financial Integrity

The strategy is a living document that all of OFR—leadership and staff—collaborated on to develop and implement. To realize the strategy, OFR formed senior-level workgroups for the above priorities with an OFR senior leader serving as a champion. The workgroups crafted implementation plans and finalized measures that guide OFR's activities towards achieving the targeted outcomes. OFR also designated a governing body made up of the champions, OFR senior leadership, and staff to maintain momentum and redirect efforts appropriately.

The **Strategic Partnership** priority focuses on OFR being a strategic partner for centers, institute, and offices (CIOs) throughout the resource management lifecycle. This workgroup conducted an analysis of OFR's Suite of Strategic Services, which includes strategic products and services offered by OFR to CIOs. The workgroup also developed a list of existing strategic OFR internal partners. These activities are initial steps towards building cross-functional and programmatic knowledge as well as understanding the roles within OFR that require strategic partnership. OFR strives to embody a customer service mindset, and one example of how this reinforces strategic partnerships is through the Planning and Execution Project (PEP). PEP brings all stakeholders to the table to strengthen budget, acquisition, and assistance planning and facilitates joint problem-solving across the agency. Since 2016, OFR supported 43 PEP meetings with CIO partners and recently kicked off the FY 2018 cycle.

The **Shared Commitment to Excellence** priority aims to foster a healthy organization with a commitment to excellence, teamwork, and action guided by OFR's core values. Strength as an organization is dependent on creating a healthy, diverse, and positive work environment and developing our workforce to meet current and future needs of CDC, which is why OFR places a priority emphasis to strategically train and effectively manage its diverse workforce. In FY 2017, OFR hosted 24 general professional skills trainings, and 24 supervisor trainings. Work-life balance is a critical part of a healthy organization, and OFR actively supports programs that encourage employees' mental and physical health. Seasonal initiatives such as Summer for a Better You, which hosted 97 events during a four-



month period, are a part of OFR's continuous efforts to create a work environment and culture that make OFR staff proud to be a part of the organization.

The **Resource Management Systems Working for CDC** priority intends to optimize OFR's systems in support of CDC's mission. OFR identified over 70 systems that it owns or uses and created a systems capabilities directory. OFR also uses systems and data to facilitate CIO decision making and is developing a deliberate technology improvement strategy. Of the 70 systems, 7 were selected for further evaluation to learn how to better leverage their capabilities. OFR captured feedback from CIO partners across CDC and is incorporating these responses into systems guidance for CDC-wide dissemination.

The **Foundation of Accountability and Financial Integrity** priority sets the goal of continuing to excel at fostering accountability, compliance, and integrity. This is core to OFR's mission and is fundamental to everything we do in supporting CDC and its overarching mission. One targeted outcome for this priority is to more effectively identify and mitigate risk across CDC. In FY 2017, OFR strengthened its risk management framework and tools with initiatives such as the quarterly grants high-risk meetings, reconstitution of the Senior Assessment Team, and establishment of the Risk Management and Internal Control Unit. Several risk management projects have already achieved great success including creation of the Interagency Agreement and Financial Assessment and Audit Resolution Units, Office of Management and Budget Circular A-123 actions, and Enterprise Risk Management due to OFR's increased risk management efforts.

Looking forward, in FY 2018 OFR will:

- Support the agency's response efforts by ensuring all of the Department of Health and Human Services' policies are adhered to and resources are dedicated to assist with financial assessments and grants management activities.
- Ensure continued compliance with the Digital Accountability and Transparency Act of 2014 (DATA Act) to provide transparency on CDC's contracts, grants, and other financial data to the public.
- Continue to implement strategic priority activities.
- Coordinate management and strengthening of internal controls oversight through the Risk Management and Internal Control Unit and other risk management tools.
- Remain ready to adapt to emerging public health threats or priorities in support of CDC's critical public health mission.

FY 2017 Grants At-A-Glance

Grants

In FY 2017, the Office of Grants Services (OGS) supported 4,519 grant awards to 1,345 grantees. These awards generated 11,848 actions and put more than \$5.7 billion into public health programs and research around the world. OGS also published 152 new Notice of Funding Opportunities (NOFOs) and had 946 active NOFOs.

Comparison of FY 2016 and FY 2017 Total Grant Actions and Obligations Processed by OGS

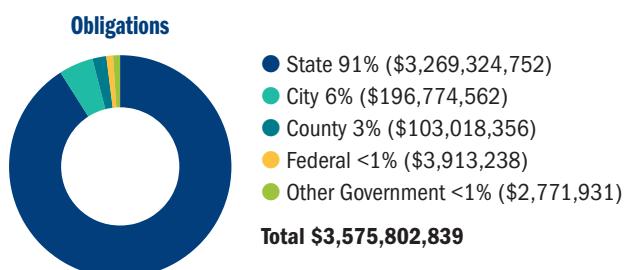
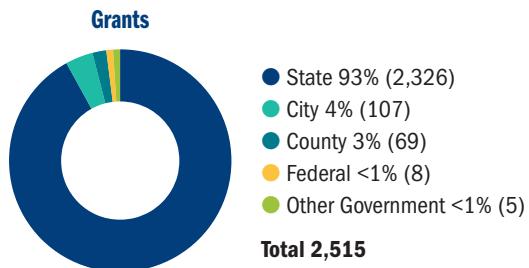


CDC FY 2017 Grant Funds Obligated Through Centers, Institutes, and Offices (CIOs)

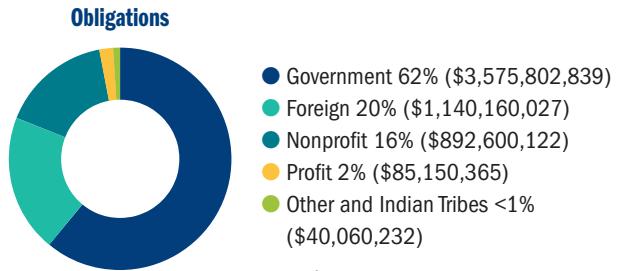
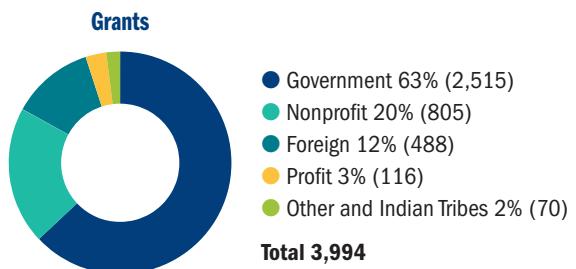
CIO	NOFOs	Grants	Actions	Obligations
ATSDR	12	65	100	\$18,586,982
CGH	502	879	2351	\$1,825,266,381
CSELS	11	62	109	\$38,953,366
NCBDDD	25	234	549	\$69,459,450
NCCDPHP	101	898	2495	\$702,037,410
NCEH	34	193	417	\$69,000,269
NCEZID	39	132	594	\$421,618,279
NCHHSTP	78	798	2380	\$750,821,379
NCHS	3	6	14	\$921,167
NCIPC	44	332	798	\$177,251,661
NCIRD	49	189	401	\$409,241,874
NIOSH	27	281	651	\$110,966,748
OD	7	42	48	\$4,418,086
OPHPR	7	195	568	\$885,618,912
OSTLTS	7	213	373	\$246,690,607
Total	946	4519	11,848	\$5,730,852,571

Data on this page comes primarily from GrantSolutions, which provides data by individual actions. NOFO, grant, and action counts are based on the organization that administers the grant. Dollars are based on the organization providing funding, regardless of which organization administers the grant. The NOFO count includes all NOFOs under which the CIO currently administers grants, so most of the NOFOs were published in prior fiscal years.

CDC FY 2017 Percentage of Grants Awarded by the Type of Government Recipient



CDC FY 2017 Percentage of Grants Awarded by Grantee Type



Data for these charts are from <http://taggs.hhs.gov>. These data are inclusive of upward and downward adjustments, including administrative and closeout actions. Thus, when reviewing funding totals in the aggregate, it does not match FY 2017 amount in other charts on this page.

FY 2017 Contracts At-A-Glance

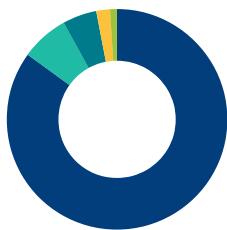
Contracts

In FY 2017, the Office of Acquisition Services (OAS) processed 11,736 contract actions. These contract actions totaled \$6.2 billion supporting public health programs and research around the world.

Comparison of FY 2016 and FY 2017 Total Contract Actions and Obligations Processed by OAS

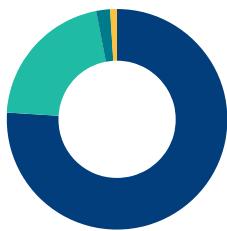


CDC FY 2017 Percentage of Contract Obligations by Type



- Fixed Price 87%
- Time and Material 6%
- Cost Plus Fee 5%
- Cost Only 1%
- Labor Hour <1%

CDC FY 2017 Percentage of Contract Obligations by Category



- Supplies and Vaccines 76%
- Services 21%*
- IT 3%
- Other <1%*

***Services** includes some IT services. **Other** includes Equipment and Furniture, Construction, and Architect and Engineering services.

CDC's FY 2017 Allocation of Contracts Through Centers, Institutes, and Offices (CIOs)

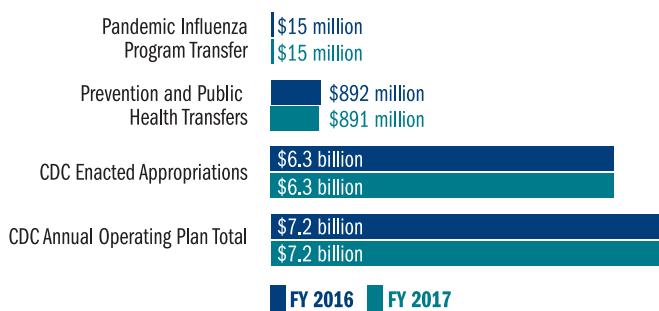
CIO	# of Actions	Sum of Contract Dollars
ATSDR	101	\$13,353,386
BISM	15	\$1,976,884
CGH	679	\$51,914,228
CSELS	374	\$39,431,910
HRO	100	\$6,016,080
NCBDDD	127	\$35,497,695
NCCDPHP	448	\$172,721,581
NCEH	663	\$37,664,151
NCEZID	1699	\$196,319,427
NCHHSTP	639	\$96,297,429
NCHS	482	\$93,560,731
NCIPC	182	\$21,816,169
NCIRD	991	\$4,402,429,593
NIOSH	2210	\$198,478,635
OFR	189	\$22,406,886
OCIO	714	\$172,910,515
OD	666	\$54,639,525
OID	95	\$1,468,145
ONDIEH	5	\$273,035
OPHPR	596	\$462,828,765
OPHSS	36	\$14,421,420
OSSAM	706	\$61,668,481
OSTLTS	19	\$8,847,386
Grand Total	11,736	\$6,166,942,069

Contract dollars data in this table do not reflect auto-closeout actions.

FY 2017 Budget and Appropriations At-A-Glance

In FY 2017, the Office of Financial Resources (OFR) facilitated over 300 Congressional Staff interactions supporting public health programs and research around the world.

Comparison of CDC's FY 2016 and FY 2017 Operating Plan



CDC successfully obligated 99.9% of \$6.3 billion expiring funds prior to the completion of FY 2017.

FY 2017 Budget Appropriations by Major Area



- Annual Discretionary Funds (\$5,669,631)
- Multiyear Discretionary Funds (\$1,604,721)
- Mandatory Funds (\$4,841,633)

\$12,115,985 Total Budget Appropriations

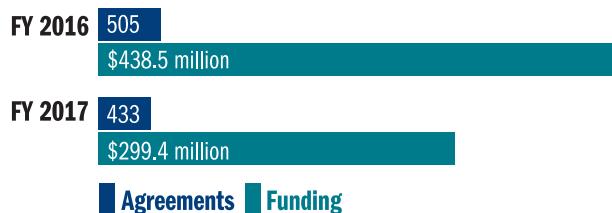
FY 2017 Obligations by Object Class

Object Class	Sum of Obligations
Compensation Summary	\$969,669,239
Personnel Benefits	\$342,411,022
Benefits for Former Personnel	\$434,347
Travel of People	\$40,379,861
Transportation of Things	\$13,624,717
Rent, Telecommunication, Other	\$24,553,522
Printing & Reproduction	\$2,774,400
Consulting & Other Services	\$1,804,240,452
Supplies & Materials	\$508,312,368
Equipment	\$53,815,426
Land & Structure	\$1,138,161
Grants	\$3,532,337,828
Insurance Claims	\$674,115
Grand Total	\$7,294,365,458

FY 2017 Finance At-A-Glance

In FY 2017, the Office of Finance and Accounting Services (OFAS) collected about \$81 million in accounts receivable* and processed \$299.4 million in reimbursable agreements supporting public health programs and research worldwide, of which CDC obligated \$193.5 million.

Comparison of FY 2016 and FY 2017 Reimbursable Interagency Agreements



Comparison of FY 2016 and FY 2017 Permanent Change of Station Vouchers



Comparison of FY 2016 and FY 2017 Transportation Vouchers



*Outstanding invoices CDC has or the money that is owed to CDC.

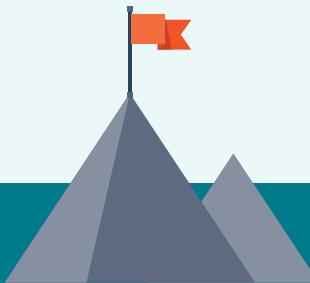
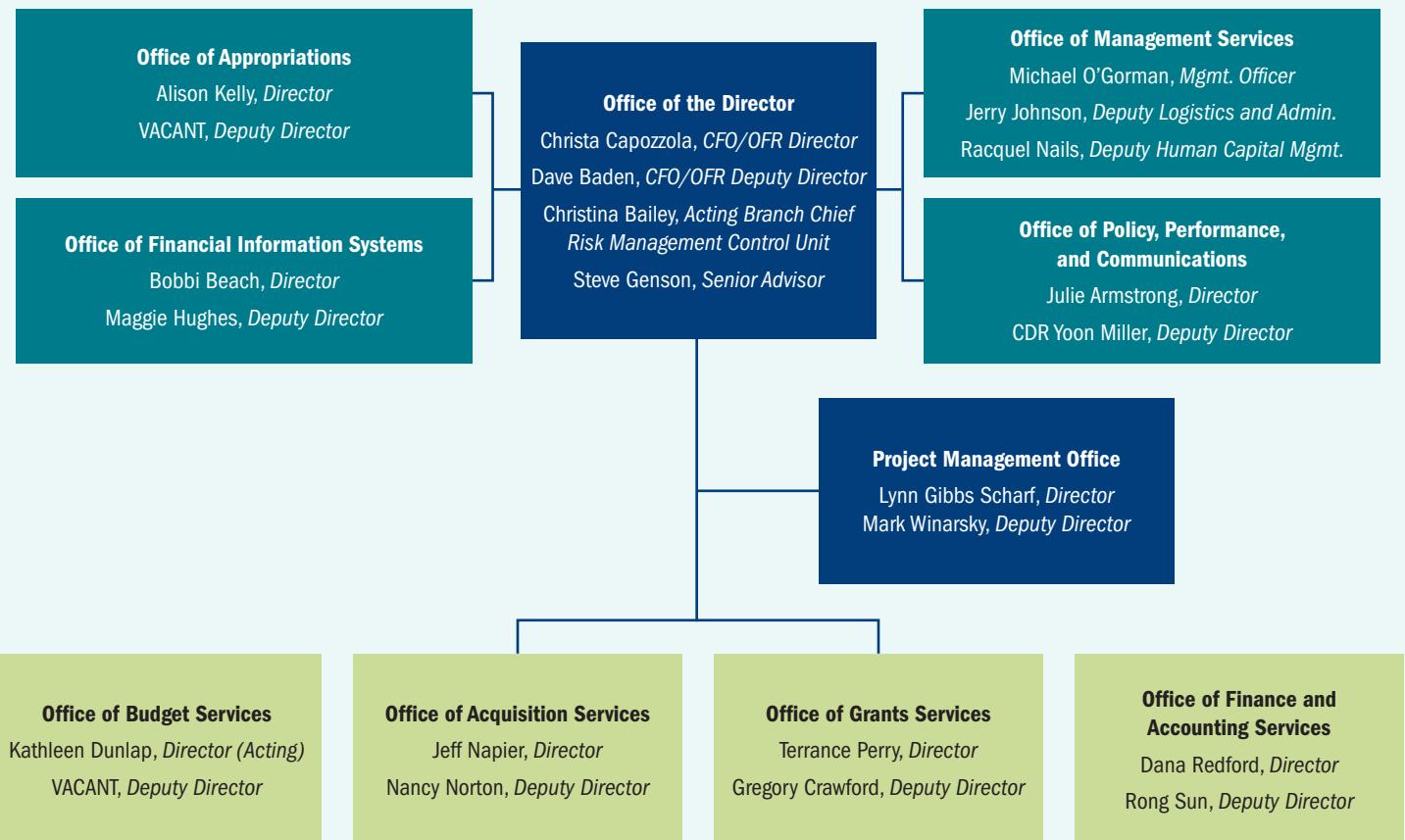
Domestic grant programs with the largest total funding amounts

Forty-five percent of CDC's grant spending supports these top ten domestic public health priorities.

	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Cooperative Agreements*	62 Grantees	\$835,499,829 Obligations
	Immunization and Vaccines for Children Program	64 Grantees	\$443,585,344 Obligations
	Comprehensive HIV Prevention Programs for Health Departments	61 Grantees	\$312,955,345 Obligations
	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) – Building and Strengthening Epidemiology, Laboratory and Health Information Systems, Capacity in State and Local Health Departments (PPHF)	64 Grantees	\$306,532,335 Obligations
	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	83 Grantees	\$213,743,386 Obligations
	Preventive Health and Health Services	63 Grantees	\$135,650,338 Obligations
	OSTLTS Partnerships Building Capacity of the Public Health System to Improve Population Health Through National, Non-Profit Organizations (PPHF)	25 Grantees	\$113,608,619 Obligations
	State Public Health Actions to Prevent and Control Diabetes, Heart Disease, Obesity and Associated Risk Factors and Promote School Health (PPHF)	51 Grantees	\$95,071,386 Obligations
	Improving Sexually Transmitted Disease Programs Through Assessment, Assurance, Policy Development, and Prevention Strategies (STD AAPPS)	59 Grantees	\$92,089,457 Obligations
	Tuberculosis Elimination and Laboratory Cooperative Agreements	61 Grantees	\$74,183,089 Obligations

*HPP is a program of the Department of Health and Human Services (HHS)/Office of the Assistant Secretary for Preparedness and Response (ASPR). CDC administers a combined PHEP and HPP award to 62 grantees.

Office of Financial Resources Organization Chart



OFR's Vision and Mission

VISION

Excellence and innovation in the investment and management of public funds for public health through the proud contributions of a talented and diverse workforce

MISSION

The Office of Financial Resources contributes to the achievement of positive public health outcomes at CDC by providing exemplary customer-focused leadership and fiscal stewardship in appropriations, acquisitions, assistance, and financial management with accountability and sound business practices