



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
GENERAL SOLANO STREET, SAN MIGUEL, MANILA

CORPORATE OPERATING BUDGET

Calendar Year 2019

TO: PHILIPPINE HEART CENTER (PHC)

Your Corporate Operating Budget (COB) for Calendar Year 2019 per Board Resolution No. 2019-05-035 dated May 8, 2019, submitted pursuant to Section 6 of Executive Order (E.O.) No. 518, series of 1979 and Section 19, Chapter 3, Book VI of E.O. No. 292, series of 1987, is hereby approved for a total amount of **FOUR BILLION THREE HUNDRED TWELVE MILLION EIGHT HUNDRED TWO THOUSAND PESOS ONLY (P4,312,802,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 4,598,456,000	P 4,598,456,000	P -
Corporate Funds	3,272,181,000	3,272,181,000	
General Fund/NG Support	1,326,275,000	1,326,275,000	a/ -
TOTAL USES:	P 4,598,456,000	P 4,312,802,000	P (285,654,000)
Personnel Services (PS)	1,693,808,000	b/ 1,605,925,000	c/ (87,883,000) d/
Maintenance & Other Operating Exp. (MOOE)	2,409,186,000	e/ 2,352,243,000	(56,943,000) f/
Capital Outlays (CO)	495,462,000	354,634,000	g/ (140,828,000)
Excess / (Shortfall)	P -	P 285,654,000	P 285,654,000

Footnotes:

- a/ Includes P1,884,500 unfunded allotment from subsidy under RA 10633 (FY 2014 GAA) and P140,497,000 under RA 10717 (FY 2016 GAA) for the acquisition and improvement of various medical facilities and equipment.
- b/ Proposed PS level excludes P216,000 realigned to MOOE representing reimbursable basic light and water expenses.
- c/ Recommended PS level includes P37.076 Million to be used **exclusively** for the payment of Performance Based Bonus and subject to DBM approval. The grant of compensation-related magna carta benefits to Public Health Workers (PHWs) per Joint DBM and DOH Circular No. 1, s. 2012 and Joint BDM and DOH Circular No.1 s. 2016 shall be strictly complied with. PHWs entitled to magna carta benefits can avail of the remuneration at a rate that is most advantageous to the employees.
- d/ Variance on PS represents:

A. Overprovision of the following items:

Salaries, permanent	P 20,872,000	Computed based on Salary Standardization Law IV, 4th tranche for 2,235 permanent positions P2,000 x 12 months x 2,235 positions
PERA	1,304,000	Based on actual payment
Uniform/Clothing Allowance	2,448,000	Equivalent to one month salary
Year-end Bonus	1,292,000	Equivalent to one month salary, based on actual payments made as of July 31, 2019
Mid-year Bonus	13,594,000	P5,000/yr x 2,235 positions
Cash Gift	160,000	P5,000/yr x 2,235 positions
Productivity Enhancement Incentive	160,000	Based on the actual list of retirees and projected retirees for August to December 2019.
Terminal Leave Benefits	4,841,000	Non-negotiable CNA item
Rice Subsidy	5,661,000	Based on the PHC's CSC-approved PRAISE
Model Employee Award	3,000	Based on 2018 actual. Lower than maximum allowable level based on Budget Circular No. 10 dated March 29, 1996
Overtime Pay	2,604,000	Per Joint Circular No. 1 dated Nov. 29, 2012
Subsistence Allowance	978,000	Pegged at 2017 actual for budgetary purposes.
Laundry Allowance	978,000	Computed based on the authorized rates under DBM-DOH JC No. 1 s. 2016
Hazard Pay	4,195,000	Based on Joint Resolution No. 4 dated June 17, 2009
Longevity Pay	5,530,000	RA no. 7305, Magna Carta of PHWs (excluding provision for add'l positions)
Night-shift Differential	6,977,000	12% of total salaries
Life & Retirement Insurance Premium	2,505,000	P100/month x 12 months x 2,235 positions
Employee Compensation Insurance Prem	65,000	P100/month x 12 months x 2,235 positions
Pag-I.B.I.G. Contributions	65,000	

B. Disallowance:

Other PRAISE Awards	13,651,000	No approval from the CSC
---------------------	------------	--------------------------

TOTAL P 87,883,000

TO: PHILIPPINE HEART CENTER (PHC)

e/ Proposed MOOE level includes P216,000 realigned from PS representing reimbursable basic light and water expenses.

f/ MOOE level is computed considering actual/audited expenses for the previous years and the effects of inflation. Details of the variance in MOOE is summarized below:

Repair and Maintenance of Government Facilities	P	20,041,000
Repair and Maintenance of Government Vehicle		94,000
Communication Expenses		488,000
Travelling Expenses		3,662,000
Subscription Expenses		3,151,000
Advertising/Publications/Promotional		2,000
Grants, Subsidies and Contributions		4,000
Miscellaneous Expenses		29,501,000
TOTAL	P	<u>56,943,000</u>

g/ The breakdown of capital outlays is as follows:

Building and Structures Outlay	P	130,184,000
Furniture, Fixtures and Equipment		223,538,000
Information Technology Outlay		912,000
	P	<u>354,634,000</u>

Notwithstanding the above variances in MOOE and CO, the PHC has the flexibility to modify its utilization within the DBM-approved budget level for each allotment class for items funded out of corporate funds. In the case of those funded out of NG budgetary support, Section 76 of the General Provisions of RA 11260 on the rules on the modification in the allotment shall apply.

The following conditions shall be observed and complied with:

1. All expenditures, whether for current operating expenditures or COs, shall be made within the limits of available funds realized from corporate receipts, authorized corporate borrowings and National Government budgetary support either in the form of subsidy, equity or loans outlay.
2. Any increase in the approved principal COB in the course of the budget year, as may be warranted by additional corporate receipts, shall require the submission of a supplemental COB to cover the additional expenditures.
3. This approval shall not be construed as an authorization for specific expenditure items under PS which requires prior approval of the Office of the President (OP). Disbursement for PS shall strictly observe pertinent compensation laws, rules and regulations, including EO Nos. 7 and 24 dated September 8, 2010 and February 10, 2011, respectively and EO No. 203 as amended by EO No. 36 (Suspending the Compensation and Position Classification System under EO No. 203, providing for Interim Compensation Adjustments, and for Other Purposes) for GOCCs covered by RA No. 10149. Such expenditures shall be subject to relevant conditions under the GP of the annual GAA or any specific law or approval of the President of the Philippines and/or Secretary of Budget and Management or the GCG, as the case may be.
4. Disbursements for Extraordinary and Miscellaneous Expenses (EME) and other MOOE items shall be subject to relevant provisions of the annual GAA, among others.
5. Equipment outlays included in the Annual Procurement Program that require specific clearance/approval from the agencies concerned, the same shall be secured before acquisition thereof. Examples: Department of Information and Communications Technology – Medium Term Information and Communications Technology Harmonization Initiative Steering Committee for procurement of information and communication technology equipment covered by the GOCC's Information System Strategic Plan, and OP/Department of Budget and Management/Supervising Department for motor vehicles. The acquisition/purchase of motor vehicle/s shall be in accordance with the provisions of, among others, Administrative Order (AO) No. 14 dated December 10, 2018; Budget Circular (BC) No. 2019-3 dated May 16, 2019; BC No. 2019-2 dated March 4, 2019; OP Memorandum Circular No. 9 dated December 14, 2010; BC No. 2010-2 dated March 1, 2010; and National Budget Circular (NBC) No. 446 dated November 24, 1995, as amended by NBC No. 446-A dated January 30, 1998. Further, the classification/s and specifications of subject motor vehicle/s shall be consistent with the provisions of BC No. 2019-2, and Annex B of BC No. 2017-1. Moreover, it is understood that the acquisition of motor vehicle/s shall be in accordance with the Government Procurement Reform Act (RA No. 9184) and its Implementing Rules and Regulations, as well as subject to the usual budgeting, accounting, auditing, and other applicable laws, rules and regulations.
6. Electronic payment shall be observed in the disbursement of corporate and public funds. In case the same is impracticable, the GOCC shall be allowed to continue with the existing payment scheme.
7. Notwithstanding the repeal of AO No. 103, existing laws, rules and regulations mandating the judicious and prudent use of government funds shall be observed. No irregular, unnecessary, extravagant, excessive and unconscionable expenses shall be incurred pursuant to AO No. 6 dated September 19, 2017.
8. It is understood that this review action does not authorize any item of expenditure that is prohibited by or inconsistent with the provisions of law.

TO: PHILIPPINE HEART CENTER (PHC)

9. Any and all officials and employees who will authorize, allow or permit, as well as those who are negligent in the performance of their duties and functions which resulted in the incurrence or payment of unauthorized and unlawful obligation or expenditure shall be personally liable to the government for the full amount committed or expended and subject to disciplinary actions in accordance with Section 43, Chapter 5 and Section 80, Chapter 7, Book VI of EO 292.

Recommending Approval:

for *h. King / A. P. U. B.*
CARMENCITA P. MAHINAY
Director, BMB-C
Date: *11/19/2019* *of*

Approved by:

By Authority of the Secretary:

Tina Rose Marie L. Canda
TINA ROSE MARIE L. CANDA
Undersecretary

COB No. C2-19-0050

cc: The Chairman
Board of Trustees, PHC

Assistant Commissioner Winnie Rose H. Encallado
Commission on Audit (COA) - Central Office
COA Building, Quezon City

The Resident Auditor
COA - PHC

Department of Budget and Management
BTS



2019-S19051L

PHILIPPINE HEART CENTER
Corporate Operating Budget
FY 2019
(In Thousand Pesos)

INCOME/RECEIPTS

From Services to Patients (Gross)	5,016,249
Less: Charity Hospital Expenses	1,317,058
Charity Research Expenses	18,700
Patient's Discounts	520,714
Total Quantified Free Services (QFS)	<u>1,856,472</u>
Income from Services to Patients (Net of Charity)	<u>3,159,777</u>
Other Income/Receipts	
Rental	27,720
Interest	17,324
Cafeteria	23,272
Donations, Fines and Penalties, Fund Raising	44,088
	<u>112,404</u>
Contribution from the National Government	
Assistance to Indigent Patients	1,176,893
Capital Expenditure – 2019	7,000
Capital Expenditure – Balance from FY 2014	1,885
Capital Expenditure – Balance from FY 2016	140,497
	<u>1,326,275</u>
TOTAL INCOME/RECEIPTS	<u>4,598,456</u>

EXPENDITURES

Personal Services	
Salaries and Wages	925,984
Standard Allowances	229,200
Specific Purpose Allowances	254,313
Incentives and Benefits	138,956
Fixed Expenditures	125,094
Separation and Retirement Benefits	20,477
	<u>1,694,024</u>

Maintenance and Other Operating Expenses	
Traveling	4,135
Communication Services	2,543
Repairs and Maintenance	83,782
Supplies and Materials	1,972,811
Rent	3,800
Grants, Subsidies and Contribution	23
Water, Illumination and Power Services	149,331
Auditing Services	12,500
Training and Seminar Expenses	4,470
Extraordinary and Miscellaneous Expenses	29
Taxes, duties and Licenses	7,570
Fidelity Bond, Insurance Premiums and Others	7,143
Other Services	
Ads and Publication	211
Representation Expense	504
Subscription	3,350
Legal/Consultancy Services	1,414
Janitorial Services	48,605
Security Services	36,993
Laundry Services	19,343
Collection Charges	7,196
Others	43,121
Total Maintenance and Other Operating Expenses	<u>2,408,874</u>
Financial Expenses	<u>96</u>
Capital Expenditures	
Corporate Funds	346,080
NG Subsidy – Balance from FY 2014	1,885
NG Subsidy – Balance from FY 2016	140,497
NG Subsidy – FY 2019	7,000
	<u>495,462</u>
TOTAL EXPENDITURES	<u>4,598,456</u>

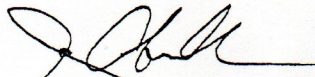
Prepared by:



GERALD A. RABE

Chief Administrative Officer, Budget Division

Approved by:



JOEL M. ABANILLA, M.D.

Executive Director