



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

CORPORATE OPERATING BUDGET

Calendar Year 2020

TO: PHILIPPINE HEART CENTER (PHC)

Your Corporate Operating Budget (COB) for Calendar Year 2020 per Board Resolution No. 2020-06-08-03R dated June 8, 2020, 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 **THREE BILLION FOUR HUNDRED NINETY-NINE MILLION SEVEN HUNDRED SEVENTY-ONE THOUSAND PESOS ONLY (P3,499,771,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 3,613,033,000	P 3,613,032,500	P (500)
Corporate Funds	2,122,840,000	2,122,840,000	
General Fund/NG Support	1,490,193,000	1,490,192,500	a/ (500)
TOTAL USES:	P 3,613,033,000	P 3,499,771,000	P (113,262,000)
Personnel Services (PS)	1,809,333,000	b/ 1,733,195,000	c/ (76,138,000) d/
Maintenance & Other Operating Exp. (MOOE)	1,687,271,000	e/ 1,650,147,000	(37,124,000) f/
Capital Outlays (CO)	116,429,000	116,429,000	g/ -
Excess / (Shortfall)	P -	P 113,261,500	P 113,261,500

Footnotes:

a/ Includes P304,500 unfunded allotment from subsidy under RA 10633 (FY 2014 GAA), P50,865,000 under RA 10717 (FY 2016 GAA), and P7,000,000 under RA 11260 (FY 2019 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 P39.090 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 for the following items: *

Uniform/Clothing Allowance	P 1,785,000	Based on actual payment
Mid-year Bonus	15,457,000	Based on actual payment
RATA	120,000	Based on GAA rates. Authorized only to officials in the actual performance of respective functions
Anniversary Bonus	5,710,000	(P3,000 x 1875) Limited to P3,000 each employee provided that the employee has rendered at least 1 year of service based on AO 263 dated March 28, 1996
Model Employee Award	3,000	Based on the PHC's CSC-approved PRAISE
Overtime Pay	13,181,000	Based on actual data as of June 30, 2020, and estimates Jul-Dec 2020
Longevity Pay	11,551,000	Pegged at FY 2018 audited amount. Based on Joint Resolution No. 4 dated June 17, 2009

B. Disallowance:

Rice Subsidy	5,661,000	Non-negotiable CNA item
Other PRAISE Awards	22,670,000	No approval from the CSC

TOTAL P 76,138,000

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

f/ MOOE level is computed considering the highest actual/audited expenses for FYs 2018 and 2019 and the effects of inflation, and the submitted actual expenses as of June 30, 2020. Details of the variance in MOOE is summarized below:

Repair and Maintenance of Government Facilities	P 5,204,000
Repair and Maintenance of Government Vehicle	8,000
Communication Expenses	219,000
Travelling Expenses	558,000
Subscription Expenses	4,242,000
Representation Expenses	508,000
Grants, Subsidies and Contributions	4,000
Miscellaneous Expenses	26,381,000

TOTAL P 37,124,000

TO: PHILIPPINE HEART CENTER (PHC)

g/ The recommended amount of the capital outlay is based on the doable projects submitted by the PHC. The breakdown of capital outlays is as follows:

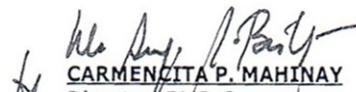
Infrastructures Outlay	P	57,865,000
Building and Structures Outlay		9,000,000
Furniture, Fixtures and Equipment		49,564,000
	P	116,429,000

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 70 of the General Provisions of Republic Act No. 11465 on the rules on the modification in the allotment shall apply.

The following conditions shall be observed and complied with:

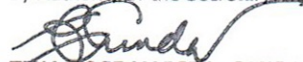
1. All expenditures, whether for current operating expenditures or COs, shall be made within the limits of available funds realized from corporate receipts, authorized corporate borrowings and National Government budgetary support either in the form of subsidy, equity or loans outlay.
2. Any increase 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.
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:


CARMENCITA P. MAHINAY
Director, BMB-C
Date: 12-23-2020

Approved by:

By Authority of the Secretary:


TINA ROSE MARIE L. CANDA
Undersecretary

COB No. C2-20-0025

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

PHILIPPINE HEART CENTER
Corporate Operating Budget
FY 2020
(In Thousand Pesos)

INCOME/RECEIPTS

From Services to Patients (Gross)	3,260,922
Less: Charity Hospital Expenses	949,310
Charity Research Expenses	20,000
Patient's Discounts	358,701
Total Quantified Free Services (QFS)	1,328,011
Income from Services to Patients (Net of Charity)	1,932,911
Other Income/Receipts	
Rental	28,378
Interest	17,199
Cafeteria	22,339
Donations, Fines and Penalties, Fund Raising	122,013
	189,929
Contribution from the National Government	
Assistance to Indigent Patients	1,424,023
Capital Expenditure – 2020	8,000
Capital Expenditure – 2019	7,000
Capital Expenditure – Balance from FY 2014	305
Capital Expenditure – Balance from FY 2016	50,865
	1,490,193
TOTAL INCOME/RECEIPTS	3,613,033

EXPENDITURES

Personal Services	
Salaries and Wages	974,124
Standard Allowances	235,704
Specific Purpose Allowances	262,057
Incentives and Benefits	174,739
Fixed Expenditures	131,304
Separation and Retirement Benefits	31,621
	1,809,549

Maintenance and Other Operating Expenses

Traveling	600
Communication Services	3,067
Repairs and Maintenance	81,909
Supplies and Materials	1,271,759
Rent	2,700
Grants, Subsidies and Contribution	53
Water, Illumination and Power Services	134,949
Auditing Services	14,110
Training and Seminar Expenses	1,134
Extraordinary and Miscellaneous Expenses	84
Taxes, duties and Licenses	9,502
Fidelity Bond, Insurance Premiums and Others	6,972
Other Services	
Ads and Publication	133
Representation Expense	580
Subscription	4,508
Legal/Consultancy Services	1,975
Janitorial Services	46,912
Security Services	33,813
Laundry Services	18,405
Collection Charges	9,085
Others	44,663

Total Maintenance and Other Operating Expenses 1,686,913

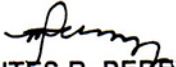
Financial Expenses 142

Capital Expenditures

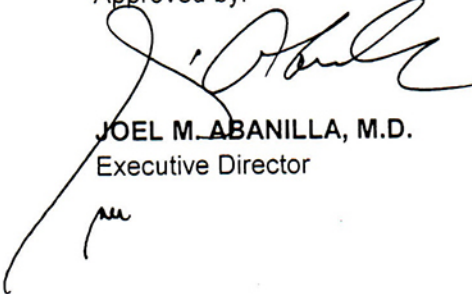
Corporate Funds	50,259
NG Subsidy – Balance from FY 2014	305
NG Subsidy – Balance from FY 2016	50,865
NG Subsidy – FY 2019	7,000
NG Subsidy – FY 2020	8,000
	<u>116,429</u>

TOTAL EXPENDITURES 3,613,033

Prepared by:


MARITES R. PEREZ
Acting Chief Administrative Officer, Budget Division

Approved by:


JOEL M. ABANILLA, M.D.
Executive Director