



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

**CORPORATE OPERATING BUDGET**  
Calendar Year 2021

**TO: PHILIPPINE HEART CENTER (PHC)**

Your Corporate Operating Budget (COB) for Calendar Year 2021 per Board of Trustees Resolution No. 2021-04-19-02R dated April 19, 2021, 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 ONE HUNDRED SIXTY-SIX MILLION FIVE HUNDRED EIGHTY-ONE THOUSAND PESOS ONLY (P4,166,581,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
<b>TOTAL SOURCES:</b>	<b>P 4,231,844,000</b>	<b>P 4,231,844,000</b>	<b>P -</b>
Corporate Funds	2,369,847,000	2,369,847,000	
General Fund/NG Support	1,861,997,000	1,861,997,000	a/ -
<b>TOTAL USES:</b>	<b>P 4,231,844,000</b>	<b>P 4,166,581,000</b>	<b>P (65,263,000)</b>
Personnel Services (PS)	2,022,225,000	1,981,205,000	b/ (41,020,000) c/
Maintenance & Other Operating Exp. (MOOE)	1,840,823,000	1,816,580,000	(24,243,000) d/
Capital Outlays (CO)	368,796,000	368,796,000	e/ -
<b>Excess / (Shortfall)</b>	<b>P -</b>	<b>P 65,263,000</b>	<b>P 65,263,000</b>

**Footnotes:**

a/ Includes Prior Years' subsidies, i.e. P305,000 under RA 10633 (FY 2014 GAA), P50,865,000 under RA 10717 (FY 2016 GAA), P7,000,000 under RA 11260 (FY 2019 GAA), and P8,000,000 under RA 11465 (FY 2020 GAA).

b/ Recommended PS level includes P51.205 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.

c/ Variance in PS represents overprovision for the following items (computed for annual requirements of 2,267 permanent positions and 4th quarter requirements for 237 additional positions):

Salaries, permanent	P 19,911,000	Computed based on Salary Standardization Law V, 2nd tranche for 2,504 positions
PERA	1,422,000	P2,000/months x 2,504 positions
Hazard Pay	4,664,000	Computed based on the authorized rates under DBM-DOH JC No. 1 s. 2016
Longevity Pay	10,294,000	Pegged at FY 2019 audited amount. Based on Joint Resolution No. 4 dated June 17, 2009
Life & Retirement Insurance Premium	4,240,000	12% of total salaries
Employee Compensation Insurance Prem.	71,000	P100/month x 2,504 positions
Pag-I.B.I.G. Contributions	71,000	P100/month x 2,504 positions
Philhealth Contributions	347,000	Rates pursuant to DBM Circular Letter No. 2019-8 dated July 3, 2019
<b>TOTAL</b>	<b>P 41,020,000</b>	

d/ The MOOE level was computed considering actual/audited expenses for the previous years and the effects of inflation, except those covered by contracts which are recommended as proposed and Auditing Services based on the latest COA billing, details of variance as follows:

Travelling Expenses	P 808,000
Miscellaneous Expenses	23,435,000
<b>TOTAL</b>	<b>P 24,243,000</b>

e/ 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	54,722,000
Other Machineries and Equipment	256,209,000
<b>TOTAL</b>	<b>P 368,796,000</b>



**TO: PHILIPPINE HEART CENTER (PHC)**

Notwithstanding the above variances in PS and MOOE, the PHC has the flexibility to modify its utilization within the DBM-approved budget level for items funded out of corporate funds. In the case of those funded out of NG budgetary support, Section 72 of the General Provisions of Republic Act No. 11518 on the rules on the modification in the allotment shall apply.

The following conditions shall be observed and complied with:

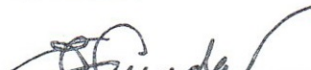
1. All expenditures, whether for current operating expenditures or COs, shall be made within the limits of available funds realized from corporate receipts, authorized corporate borrowings and National Government budgetary support either in the form of subsidy, equity or loans outlay.
2. Any increase 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 by 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 Government-Owned and -Controlled Corporations (GOCCs) covered by RA No. 10149. Such expenditures shall be subject to relevant conditions under the GenP 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 Governance Commission for GOCCs (GCG), as the case may be.
4. Disbursements for Extraordinary and Miscellaneous Expenses (EME) and other MOOE expenditures shall be subject to relevant provisions of the annual GAA, among others.
5. For 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 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 the purchase of motor vehicles (MV), in accordance with Corporate Budget Circular No. 17 dated February 9, 1996, 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, among others.
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 or 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:**

  
Digitally signed by  
Elena Regina S.  
Brillantes  
**ELENA REGINA S. BRILLANTES**  
OIC - Director, BMB-C

Date: **OCT 12 2021**

**Approved by:**

  
**TINA ROSE MARIE L. CANDA**  
Officer-in-Charge, DBM  
COB No. C3-21-0060



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 2021**  
**(In Thousand Pesos)**

**INCOME/RECEIPTS**

From Services to Patients (Gross)	3,582,755
Less: Charity Hospital Expenses	954,900
Charity Research Expenses	21,123
Patient's Discounts	358,275
Total Quantified Free Services (QFS)	1,334,298
Income from Services to Patients (Net of Charity)	2,248,457
Other Income/Receipts	
Rental	28,665
Interest	19,735
Cafeteria	9,048
Donations, Fines and Penalties, Fund Raising	63,942
	121,390
Contribution from the National Government	
Assistance to Indigent Patients	1,775,827
Capital Expenditure – 2021	20,000
Capital Expenditure – 2020	8,000
Capital Expenditure – 2019	7,000
Capital Expenditure – Balance from FY 2016	50,865
Capital Expenditure – Balance from FY 2014	305
	1,861,997
<b>TOTAL INCOME/RECEIPTS</b>	<b>4,231,844</b>

**EXPENDITURES**

Personal Services	
Salaries and Wages	1,064,221
Standard Allowances	256,045
Specific Purpose Allowances	287,174
Incentives and Benefits	207,167
Fixed Expenditures	146,384
Separation and Retirement Benefits	61,234
	2,022,225



Maintenance and Other Operating Expenses	
Traveling	1,377
Communication Services	3,555
Repairs and Maintenance	81,373
Supplies and Materials	1,443,502
Rent	1,804
Grants, Subsidies and Contribution	22
Water, Illumination and Power Services	123,098
Auditing Services	9,670
Training and Seminar Expenses	5,008
Extraordinary and Miscellaneous Expenses	25
Taxes, duties and Licenses	4,492
Fidelity Bond, Insurance Premiums and Others	9,798
Other Services	
Ads and Publication	25
Representation Expense	55
Subscription	2,252
Legal/Consultancy Services	744
Janitorial Services	48,134
Security Services	33,024
Laundry Services	16,713
Collection Charges	5,090
Others	50,977
Total Maintenance and Other Operating Expenses	<u>1,840,738</u>
Financial Expenses	<u>85</u>
Capital Expenditures	
Corporate Funds	282,626
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
NG Subsidy – FY 2021	20,000
	<u>368,796</u>
<b>TOTAL EXPENDITURES</b>	<b><u>4,231,844</u></b>

Prepared by:

  
**MARITES R. PEREZ**  
Acting Chief Administrative Officer, Budget Division

Approved by:

  
**JOEL M. ABANILLA, M.D.**  
Executive Director IV