



REPUBLIC OF THE PHILIPPINES
Department of Budget and Management
Malacañang, Manila

**PITAHC
RECEIVED**

By: TERESA G. [Signature]
Date: 7-25-12
Ref: 12-072502

CORPORATE OPERATING BUDGET
Calendar Year 2012

TO: PHILIPPINE INSTITUTE OF TRADITIONAL AND ALTERNATIVE HEALTH CARE (PITAHC)

Your Corporate Operating Budget (COB) for Calendar Year 2012 per Board Resolution No. 6 dated April 12, 2012, 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 of **ONE HUNDRED EIGHTY SEVEN MILLION TWO HUNDRED SIXTY TWO THOUSAND PESOS ONLY (P187,262,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 202,817,000	P 202,817,000	P -
Corporate Funds	162,817,000	162,817,000	-
General Fund/NG Support	40,000,000	40,000,000	-
TOTAL USES:	P 202,817,000	P 187,262,000	P (15,555,000)
Personal Services (PS)	64,006,000	54,861,000	(9,145,000) a/
Maintenance & Other Operating Exp. (MOOE)	91,873,000	85,463,000	(6,410,000) b/
Capital Outlays (CO)	46,938,000	46,938,000	c/ -
Excess / (Shortfall)	P -	P 15,555,000	P 15,555,000

Footnotes:

a/ The variance of P9,415,000 refers to the following:

Per Diems of Members of Governing Board	5,000	Granted to 11 members of the Board of Trustees at P5,000/meeting actually attended
Anniversary Bonus	33,000	Not exceeding P3,000 per employee. Granted only during milestone year & every five (5) year thereafter (milestone year - 2012)
Hazard Pay	5,916,000	Pegged at P600/mo. x 12 mos. x 107 positions, difference charged to savings
Subsistence Allowance	240,000	Pegged at P900/mo. x 12 mos. x 107 positions, difference charged to savings
Laundry Allowance	32,000	Pegged at P125/mo. x 12 mos. x 107 positions
Longevity Pay	1,300,000	5% basic salary pursuant to Sec. 23 of R.A. No. 7305 (Magna Carta) as clarified under item 3.0 of C.L. No. 2004-4 (PHWs shall either be entitled to step increment or longevity pay but not both benefits). Chargeable to savings.
Monetization of Leave Credits	1,554,000	Chargeable against savings
Loyalty Pay	65,000	Chargeable against savings
TOTAL P	9,145,000	

b/ MOOE level computed considering actual/audited expenses for the previous years and the effects of inflation; thus, a disallowance of P6,410,000.

c/ CO is intended for the purchase/renovation of the following:

IT Equipment & Software	P 1,045,000
Office Furniture, Fixtures, Equipment & Books	5,955,000
Production Equipment for HPPs	15,008,000
Motor Vehicles	5,500,000 *
Renovation/Rehabilitation of HPPs Production Areas	19,430,000
TOTAL	P 46,938,000


Note: * Authority to purchase motor vehicles has already been approved by DOH Secretary as endorsed by DBM.

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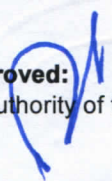
The approval of the COB shall be subject to the following conditions:

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 forms of subsidy, equity or loans outlay.
2. Disbursement for personnel amelioration/benefit shall be subject to the pertinent compensation laws, rules and regulations, including E.O. Nos. 7 and 24 dated September 8, 2010 and February 10, 2011, respectively. Such expenditures shall also be conditioned on the relevant General Provisions of Republic Act (R.A.) No. 10155, the FY 2012 General Appropriations Act (ex. Representation and Transportation Allowance under Section 45, General Provisions), or any specific law or approval of the President of the Philippines or Secretary of Budget and Management, as the case maybe.
3. Disbursements for extraordinary and miscellaneous expenses shall be subject to Section 23, General Provisions of R.A. No. 10155.
4. Disbursements from the Confidential & Intelligence Fund shall be covered by an approval from the President of the Philippines.
5. For equipment items per Annual Equipment Procurement Program that needs specific clearance/approval from the Agencies concerned (ex. National Computer Center for Information Technology equipment and Office of the President/Department of Budget and Management/Supervising Department for motor vehicles), the same shall be secured before acquisition thereof in accordance with Corporate Budget Circular No. 17 dated February 9, 1996, National Budget Circular Nos. 446 & 446-A dated November 24, 1995 and January 30, 1998, respectively, Budget Circular No. 2010-2 dated March 1, 2010, Administrative Order (A.O.) No. 233 dated August 1, 2008, Office of the President Memorandum Circular No. 9 dated December 14, 2010 and A.O. No. 15 dated May 25, 2011, among others.
6. The fiscal discipline measures prescribed under A.O. No. 103 dated August 31, 2004 shall be observed.
7. It is understood that this approval does not authorize any item of expenditure that is prohibited by or inconsistent with the provisions of law.
8. The pertinent laws, rules and regulations including those on compensation, procurement, budgeting, accounting and auditing shall be strictly followed. Compliance with all existing laws, rules and regulations shall be the responsibility of the implementing government corporation.

Recommending Approval:


LORENZO C. DRAPETE
Director, BMB - F

Approved:
By authority of the Secretary:


MARIO L. RELAMPAGOS
Undersecretary

Date: July 25, 2012

COB No. F4-12-0010

cc: The Chairman
Board of Directors, PITAHC

Assistant Commissioner Lourdes M. Castillo
Commission on Audit (COA) - Central Office
COA Building, Quezon City

The Resident Auditor
COA - PITAHC