



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
 BONCODIN HALL, GEN. SOLANO ST., SAN MIGUEL, MANILA

CORPORATE OPERATING BUDGET

Fiscal Year (FY) 2018

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

Your Corporate Operating Budget (COB) for FY 2018 per Board Resolution Nos.1 and 8, s. 2018 dated February 1, 2018 and March 8, 2018, respectively, submitted pursuant to Section 6 of Executive Order (EO) No. 518, series of 1979 and Section 19, Chapter 3, Book VI of EO No. 292, series of 1987, is hereby approved for a total of **ONE HUNDRED SIXTY SIX MILLION SEVEN HUNDRED THIRTY TWO THOUSAND PESOS ONLY (P166,732,000)** details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c)
TOTAL SOURCES:			
Corporate Funds	P 184,558,000	P 184,558,000	-
National Government Subsidy	58,125,000	58,125,000	-
	126,433,000	126,433,000	-
TOTAL USES:			
Personnel Services (PS)	P 184,558,000	P 166,732,000	P (17,826,000)
Maintenance and Other Operating Expenses (MOOE)	79,722,000	79,260,000	a/ (462,000) b/
Capital Outlays (CO)	88,327,000	70,963,000	(17,364,000) c/
	16,509,000	16,509,000	d/ -
Excess / (Shortfall)	P -	P 17,826,000	P 17,826,000

Footnotes:

a/ Includes P1.786 Million which shall be used exclusively for the payment of Performance-Based Bonus.

b/ The variance in PS level is due to the following:

Particulars	Amount	Remarks
Salaries, Permanent	P 312,000	Computed based on SSL IV 3rd tranche for 83 positions
Year-end Bonus	29,000] Overprovision, computation is equivalent to one month basic salary
Mid-year Bonus	29,000	
Representation and Transportation Allowance	48,000	Based on the rates per FY 2018 GAA
Hazard pay	7,000	Based on the rates per DBM-DOH JC No. 1 s. 2016
Retirement and Life Insurance Premium	37,000	Overprovision, computed at 12% of total basic salaries of 83 positions
Total	P 462,000	

c/ The MOOE level was computed by taking into consideration the previous years' actual/audited expenses, effects of inflation in 2018, and actual expenses of the PITAHC from January to June, 2018. Details of variance are as follows:

Particulars	Amount
Research, Exploration & Development Expenses	P 9,800,000
Training and Scholarship Expenses	4,064,000
Agricultural/Textbook, Supplies/Materials Expenses	16,000
Water, Illumination and Power Service	601,000
Communication Expenses	225,000
Representation Expenses	34,000
Repair and Maintenance of Government Facilities	837,000
Other Miscellaneous Expenses	1,787,000
Total	P 17,364,000

d/ The proposed level for CO was recommended, which is intended for the following:

Land and Land Improvements Outlay	P 4,936,000
Buildings and Structures Outlay	5,514,000
Information Technology Outlay	2,000,000
Office Equipment, Furnitures and Fixtures Outlay	195,000
Machineries and Equipment Outlay	3,864,000
Total	P 16,509,000

The procurement of IT systems, software, and equipment in the total amount of P2,000,000 which shall be covered by the Institute's Information Systems Strategic Plan (ISSP) shall be subject to the approval by the Department of Information and Communications Technology (DICT), specifically the Medium-Term ICT Harmonization Initiative (MITHI) Steering Committee.

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

Notwithstanding the variances in PS and MOOE, the PITAHC has the flexibility to modify its utilization within the DBM-approved budget level for the each allotment class for items funded out of corporate funds. In case of those funded out of national government budgetary support, Section 72 of the General Provisions of RA No. 10964 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 Executive Order (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 General Provisions (GPs) 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. The payment of C.N.A. shall be subject to the guidelines prescribed under Administrative Order (AO) No. 135, s. 2005, relevant conditions under the GP No. 73 of the FY 2018 GAA and the Implementing Rules and Regulations for the purpose.
4. Disbursements for Extraordinary and Miscellaneous Expenses (EME) and other MOOE items shall be subject to the 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 (e.g. DICT, particularly the MITHI Steering Committee) for information and communication technology equipment and Office of the President/Department of Budget and Management/Supervising Department for procurement of motor vehicles). The same shall be secured before acquisition thereof in accordance with Corporate Budget Circular No. 17 dated February 9, 1996, Budget Circular No.2017-1 (amending BC No. 2016-5) dated April 26, 2017, and AO No. 15 (amending AO No. 233, s.2008) dated May 25, 2011, amending AO No. 233, s. 2008 dated August 1, 2008, Office of the President Memorandum Circular No. 9 dated December 14, 2010, 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 A.O. 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. Mahina
CARMENCITA P. MAHINA
Director/BMB - C

Date: **AUG 29 2018**

Approved:

By authority of the Secretary:

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

COB-C2-18-0036

cc: The Chairman

Board of Directors, PITAHC

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

The Resident Auditor

COA - PITAHC

Department of Budget and Management

BTS



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RECEIVED: COA - PITAHC
Signature: *[Signature]*
Date: *[Date]*

**PITAHC
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By: _____
Date: _____
Ref: <i>2018-AD-EM-4-2</i>