



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

CORPORATE OPERATING BUDGET
 Fiscal Year (FY) 2019

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

Your Corporate Operating Budget (COB) for FY 2019 per Board Resolution No. 5, s. 2019 dated April 4, 2019, 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-TWO MILLION NINE HUNDRED SIXTEEN THOUSAND PESOS ONLY (P162,916,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c)
TOTAL SOURCES:	P 190,494,000	P 190,494,000	P -
Corporate Funds	47,875,000	47,875,000	-
National Government Subsidy	142,619,000	142,619,000	-
TOTAL USES:	P 190,494,000	P 162,916,000	P (27,578,000)
Personnel Services (PS)	100,260,000	86,399,000	a/ (13,861,000) b/
Maintenance and Other Operating Expenses (MOOE)	81,473,000	68,856,000	(12,617,000) c/
Capital Outlays (CO)	8,761,000	7,661,000	d/ (1,100,000)
Excess / (Shortfall)	P -	P 27,578,000	P 27,578,000

Footnotes:

a/ Includes P2.389 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 8,156,000	Excess in the computation for 97 positions (82 filled-up positions and 15 positions for filling-up in December 2019). Salaries are computed based on the rates under the fourth tranche of Salary Standardization Law IV
Personnel Economic Relief Allowance	330,000	
Uniform/Clothing Allowance	90,000	
Year-end Bonus	743,000	
Cash Gift	75,000	
Performance Enhancement Incentive	75,000	
Subsistence Allowance	179,000	
Laundry Allowance	25,000	
Hazard Pay	1,466,000	
Life and Retirement Insurance Premium	978,000	
Employees Compensation Insurance Premium	16,000	
Pag-I.B.I.G. Contributions	16,000	
Philhealth Contributions	24,000	
Monetization of Leave Credits	163,000	
Representation and Transportation Allowances	108,000	
Mid-year Bonus	1,002,000	
Per Diems of Members of Governing Board	415,000	
Total	P 13,861,000	Excess provision for official with motor vehicle Based on actual payout Pegged at FY 2018 actual

c/ The MOOE level was computed by taking into consideration the previous years' actual/audited expenses, effects of inflation in 2019, and actual expenses of the PITAHC from January to September, 2019. Details of variance are as follows:

Particulars	Amount
Trading/Production	1,738,000
Transportation and Delivery Expenses	212,000
Training and Scholarship Expenses	6,404,000
Supplies, Materials and Accountable Forms	457,000
Repair & Maintenance - Equipment and Machineries	170,000
Travelling Expenses	474,000
Gasoline, Oil and Lubricants	92,000
Water, Illumination and Power Service (Utilities Expenses)	431,000
Communication Expenses	420,000
Subscription Expenses	3,000
Representation Expenses	14,000
Repair and Maintenance of Government Facilities	1,029,000
Other Miscellaneous Expenses	1,173,000
Total	P 12,617,000

Philippine Institute of Traditional
 and Alternative Health Care
 Department of Health

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2020-AD-M24-1
 1/14/2020

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

d/ The recommended CO pertains to funding requirements of doable projects in FY 2019, broken down as follows:

Office Equipment, Furnitures & Fixtures, and	P	2,240,000
Books Outlay		
Building and Structures Outlay		5,421,000
Total	P	7,661,000

Notwithstanding the variances in PS, MOOE and CO, the PITAHC has the flexibility to modify its utilization within the DBM-approved budget level for items funded out of corporate funds. In case of those funded out of national government budgetary support, Section 76 of the General Provisions of RA No. 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 by the Office of the President. 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 Government-Owned and Controlled Corporations (GOCCs) covered by Republic Act No. 10149. Such expenditures shall be subject to relevant conditions under the General Provisions (GPs) of the annual General Appropriations Act (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, as the case may be.
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. For equipment outlays included in the Annual Procurement Program that require specific clearance/approval from the agencies concerned, the same shall be secured before the 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 MVs, 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. 2019-2 dated March 4, 2019; OP Memorandum Circular No. 9 dated December 14, 2010. Further, the classification/s and specifications of subject MV shall be consistent with the provisions of BC No. 2019-3, 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 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 No. 292.

Recommending Approval:

Carmencita P. Mahinay
CARMENCITA P. MAHINAY
Director, BMB - C

Date:

12-3-19

Approved:

By authority of the Secretary:

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

COB-C2-19-0056

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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