



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

**CORPORATE OPERATING BUDGET**  
Fiscal Year (FY) 2020

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

Your Corporate Operating Budget (COB) for FY 2020 per Board Resolution No. 4, s. 2020 dated June 5, 2020, 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 FIFTY-FIVE MILLION SEVEN HUNDRED EIGHT THOUSAND PESOS ONLY (P155,708,000)**, details of which are shown below:

| PARTICULARS                                     | PROPOSAL<br>(a) | APPROVED<br>(b) | VARIANCE<br>(c)    |
|---|-----------------|-----------------|--------------------|
| <b>TOTAL SOURCES:</b>                           | P 173,419,000   | P 173,419,000   | P -                |
| Corporate Funds                                 | 44,631,000      | 44,631,000      | -                  |
| National Government Subsidy                     | 128,788,000     | 128,788,000     | -                  |
| <b>TOTAL USES:</b>                              | P 173,419,000   | P 155,708,000   | P (17,711,000)     |
| Personnel Services (PS)                         | 91,010,000      | 80,422,000      | a/ (10,588,000) b/ |
| Maintenance and Other Operating Expenses (MOOE) | 77,285,000      | 70,162,000      | (7,123,000) c/     |
| Capital Outlays (CO)                            | 5,124,000       | 5,124,000       | d/ -               |
| <b>Excess / (Shortfall)</b>                     | P -             | P 17,711,000    | P 17,711,000       |

**Footnotes:**

a/ Includes P2.237 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 4,129,000         | Salaries are computed based on the rates under the 1st tranche of Salary Standardization Law V. |
| Personnel Economic Relief Allowance          | 124,000             | Overprovision based on the prescribed rates times number of authorized positions.               |
| Year-end Bonus                               | 634,000             |   |
| Cash Gift                                    | 60,000              |   |
| Performance Enhancement Incentive            | 43,000              |   |
| Subsistence Allowance                        | 132,000             |   |
| Laundry Allowance                            | 10,000              |   |
| Hazard Pay                                   | 543,000             |   |
| Employees Compensation Insurance Premium     | 6,000               |   |
| Pag-I.B.I.G. Contributions                   | 6,000               |   |
| Philhealth Contributions                     | 42,000              |   |
| Monetization of Leave Credits                | 61,000              | Based on submitted schedule   |
| Terminal Leave Benefit                       | 3,021,000           |   |
| Representation and Transportation Allowances | 108,000             | Excess provision for official with assigned motor vehicle                                       |
| Life and Retirement Insurance Premium        | 495,000             | Based on 12% of salaries  |
| Uniform/Clothing Allowance                   | 60,000              | Based on actual payout  |
| Mid-year Bonus                               | 614,000             |   |
| Per Diems of Members of Governing Board      | 500,000             | Pegged at FY 2019 actual  |
| <b>Total</b>                                 | <b>P 10,588,000</b> |   |

c/ The MOOE level was computed by taking into consideration the previous years' actual/audited expenses, effects of inflation, and actual expenses of the PITAHC from January to August, 2020. Details of variance are as follows:

| Particulars                                      | Amount             |
|--|--------------------|
| Trading/Production                               | 3,566,000          |
| Repair & Maintenance - Equipment and Machineries | 653,000            |
| Travelling Expenses                              | 1,052,000          |
| Gasoline, Oil and Lubricants                     | 49,000             |
| Agricultural/Textbook, Supplies/Materials Exp.   | 149,000            |
| Representation Expenses                          | 326,000            |
| Repair and Maintenance of Government Facilities  | 68,000             |
| Other Miscellaneous Expenses                     | 1,260,000          |
| <b>Total</b>                                     | <b>P 7,123,000</b> |

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


|                                  |          |                  |
|----------------------------------|----------|------------------|
| Machineries and Equipment Outlay | P        | 215,000          |
| Information Technology Outlay    |          | 1,040,000        |
| Building and Structures Outlay   |          | 3,869,000        |
| <b>Total</b>                     | <b>P</b> | <b>5,124,000</b> |

**Notwithstanding the variances in PS and MOOE, the PITAHC 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 national government budgetary support, Section 70 of the General Provisions of the Republic Act (RA) No. 11465 on the rules on the modification in 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 incurrance 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**  
Director, BMB - C

Date: December 14, 2020

**Approved:**

By authority of the Secretary:

  
**TINA ROSE MARIE L. CANDIA**  
Undersecretary

**COB-C2-20-0030**

cc: The Chairman  
Board of Directors, PITAHC  
  
The Assistant Commissioner, Corporate Sector  
Commission on Audit (COA) - Central Office  
COA Building, Quezon City  
  
The Resident Auditor  
COA - PITAHC