

DO 01334

P: Budget Division
Jan 11/23

TO FINANCE

Please observe and comply
conditions, stated below. Thanks!



CECILIA O. GAN, M.D., MNSA
Deputy Executive Director
Hospital Support Services

MAY 10 2023

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

SONIA B. GONZALEZ, MD, MSc, MEd, M
Executive Director

CORPORATE OPERATING BUDGET

Fiscal Year (FY) 2023

TO: PHILIPPINE CHILDREN'S MEDICAL CENTER (PCMC)

Your Corporate Operating Budget (COB) for FY 2023 per Board Resolution No. 2023-02-13-04R, 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 **TWO BILLION FOUR HUNDRED FIFTY MILLION SEVEN HUNDRED FORTY-SEVEN THOUSAND PESOS ONLY (P2,450,747,000.00)**, details of which are shown below:

| PARTICULARS | PROPOSAL (a) | APPROVED (b) | VARIANCE (c=b-a) |
|---|------------------------|------------------------|---------------------|
| TOTAL SOURCES: | P <u>2,486,078,000</u> | P <u>2,486,078,000</u> | P - |
| Corporate Funds | 400,000,000 | 400,000,000 | - |
| National Government (NG) Support | 2,086,078,000 | 2,086,078,000 | - |
| TOTAL USES: | <u>2,486,078,000</u> | <u>2,450,747,000</u> | <u>(35,331,000)</u> |
| Personnel Services (PS) | 1,150,048,000 | 1,148,317,000 | a/ (1,731,000) |
| Maintenance and Other Operating Expenses (MOOE) | 837,298,000 | 803,698,000 | b/ (33,600,000) |
| Capital Outlays (CO) | 498,732,000 | 498,732,000 | c/ - |
| Excess/(Shortfall) | P - | P <u>35,331,000</u> | P <u>35,331,000</u> |

Footnotes:

- a/ The recommended PS level is computed based on the fourth tranche of Salary Standardization Law V, adopting the basic salary authorized under Republic Act (RA) No. 11466 dated January 8, 2020, since PCMC is under the jurisdiction of the Department of Budget and Management (DBM). The variance pertains to the overprovision for Uniform/Clothing Allowance for 1,596 permanent positions, and salary and other allowances for 1 non-permanent position.
- b/ The approved MOOE level is computed considering the Center's absorptive capacity for the three (3) immediately preceding years, in which the highest budget utilization rate (BUR) is applied to MOOE items, except those covered by NG subsidy, which is recommended as proposed. The variance of P33,600,000.00 pertains to the effect of the application of BUR in FY 2021 which is at 86%.
- c/ The approved CO level considers the implementation-readiness of the projects and activities under the respective CO items which are expected to be completed within the year as certified by the Center.

Notwithstanding the abovementioned variance in PS and MOOE, the PCMC still has the flexibility to modify its utilization within the total DBM-approved budget level for items funded out of corporate funds.

Further, 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 NG 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 supplemental COB to cover the additional expenditures.

PHILIPPINE CHILDREN'S MEDICAL CENTER (PCMC)

3. This approval shall not be construed as an authorization for specific expenditure items under PS which requires prior approval by the 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. 150 for Government-Owned or-Controlled Corporations (GOCCs) covered by RA No. 10149. Such expenditures shall be subject to relevant conditions under the General Provisions 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 and other MOOE expenditures 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, 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/DBM/Supervising Department for the purchase of motor vehicles (MV), in accordance with Budget Circular (BC) No. 2022-1 dated February 11, 2022 (Omnibus Guidelines on the Acquisition, Use, Rental, and Replacement of MVs), RA No. 9184 (Government Procurement Reform Act) and its Implementing Rules and Regulations, among others.
6. Electronic payment shall be observed in the disbursement of corporate and public funds. In cases when the adoption is impracticable, GOCC shall be allowed to continue with the existing payment scheme.
7. Pursuant to Administrative Order (AO) No. 6 dated September 19, 2017, no irregular, unnecessary, extravagant, excessive and unconscionable expenses shall be incurred. Furthermore, existing laws, rules and regulations mandating the judicious and prudent use of government funds shall be observed.
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 existing laws, rules and regulations.
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 No. 292.

Recommending Approval:

Elena Regina S. Brillantes
Digitally signed by
Elena Regina S.
Brillantes

ELENA REGINA S. BRILLANTES

Director IV, BMB-C

Approved:

By Authority of the Secretary:

Cristina B. Clasara
CRISTINA B. CLASARA
Acting Undersecretary, DBM

cf: **The Chairman**
Board of Trustees, PCMC

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

The Resident Auditor
COA - PCMC

COB No. C1-23-0060

Date: May 5, 2023