



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

CORPORATE OPERATING BUDGET
Fiscal Year 2019

TO: SOCIAL HOUSING FINANCE CORPORATION (SHFC)

Your Corporate Operating Budget (COB) for Fiscal Year 2019 per approved Board Resolution No. 698 dated December 13, 2018, 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 **THREE BILLION THREE HUNDRED TWO MILLION SIX HUNDRED FIFTY-SEVEN THOUSAND PESOS ONLY (P3,302,657,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 16,302,019,000	P 16,302,019,000	P -
Corporate Funds	8,334,148,000	8,334,148,000	-
National Government (NG) Support	7,967,871,000	7,967,871,000	-
High Density Housing Program (HDHP)	4,717,261,000	4,717,261,000	a/ -
Marawi Recovery, Rehabilitation and Reconstruction Program (MRRRP)	250,610,000	250,610,000	-
North-South Railway Project (NSRP)	3,000,000,000	3,000,000,000	-
TOTAL USES:	P 16,302,019,000	P 3,302,657,000	P (2,053,441,000)
Personnel Services (PS)	315,451,000	307,678,000	(7,773,000) b/
Maintenance and Other Operating Expenses (MOOE)	2,366,078,000	401,331,000	(1,964,747,000) c/
Capital Outlays (CO)	165,229,000	84,308,000	(80,921,000) e/
Loans Outlay	13,455,261,000	2,509,340,000	(10,945,921,000) f/
Excess/(Shortfall)	P -	P 12,999,362,000	P 12,999,362,000

Footnotes:

/ Includes P3.917 Billion representing unfunded allotment for the Housing Program for Informal Settler Families Residing in Danger Areas in Metro Manila.

b/ The variance in PS refers to overprovision of the following:

Particulars	Amounts in P '000	Remarks
• Salaries	3,192	- Rates based on 4th Tranche of EO No. 201
• PERA	152	- Limited to P2,000/month/employee
• Uniform Allowance	54	- Limited to P6,000/annum/employee
• Year-end Bonus	298	- Limited to one (1) month basic salary as of October 31
• Midyear Bonus	298	- Limited to one (1) month basic salary as of October 31
• Cash Gift	35	- Limited to P5,000/annum/employee
• RATA	1,224	- Limited to rates under FY 2019 GAA
• Provident Fund	535	- Limited to 15% of basic salary
• Economic Subsidy	642	- Limited to one (1) month basic salary plus allowances 1/
• Children's Allowance	285	- Limited to P30/month/employee (maximum of 4 children) 1/
• Meal Allowance	33	- Limited to P550/month/employee 1/
• Rice Allowance	108	- Limited to P1,800/month/employee 1/
• Medicine Allowance	35	- Limited to P7,000/annum/employee 1/
• HMO	269	- Limited to actual rate for FY 2018
• Transportation Allowance (Rank and File)	230	- Limited to P300/month/employee 1/
• Grocery Subsidy (Gift Check)	250	- Limited to P50,000/annum/employee 1/
• Productivity Enhancement Incentive	45	- Limited to P5,000/annum/employee
• Birthday Gift Benefit	15	- Limited to P3,000/annum/employee 1/
• SSS Contribution	65	- Rates pursuant to SSS Circular No. 2013-010, s. 2013
• Employees Compensation Insurance Premium	2	- Rates pursuant to SSS Circular No. 2013-010, s. 2013
• Pag-I.B.I.G. Contribution	6	- Limited to P100/month/employee
Total	7,773	

1/ Per approved Collective Bargaining Agreement dated December 24, 2008

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/ The MOOE level was computed considering actual/audited expenses for previous years and the effects of inflation, with details of variance as follows:

Particulars	Amounts
Technical Assistance	P 1,251,480,000
Capacity Building	145,823,000
Traveling Expenses	3,418,000
Training and Seminar Expenses	2,276,000
Supplies and Materials	4,441,000
Communication Expenses	2,671,000
Advertising Expenses	1,487,000
Water, Illumination and Power Service	2,282,000
Contributions to Organization	2,286,000
Rents	165,822,000
Representation Expenses	5,469,000
Transportation and Delivery Expenses	606,000
Consultancy Services	130,436,000
General Services	145,861,000
Security Services	55,579,000
Other Professional Services	13,214,000
Repair and Maintenance	4,601,000
Extraordinary and Miscellaneous Expense	485,000
Financial Expenses	1,990,000
Miscellaneous Expenses	24,520,000
Total	P 1,964,747,000

l/ The recommended CO level is broken down as follows:

Buildings and Structures Outlay	17,670,000	
Office Equipment, Furniture, Fixtures and other equipment	41,938,000	
Transportation Equipment	24,700,000	Purchase of 18 units of motor vehicle is hereby approved per attached Authority to Purchase Motor Vehicle (APMV) No. C-19-0047.
Total	84,308,000	

/ The variance in CO pertains to projects which cannot be implemented in the current year per coordination with SHFC.

f/ The difference of P10.346 billion refers to funding requirements of housing projects which are expected to spill over to FY 2020.

Notwithstanding the above-indicated variances in PS, MOOE and CO, the SHFC has the flexibility to modify the DBM-approved budget level, for items funded out of corporate funds. In case of those funded out of NG budgetary support, Section 76 of General Provisions of RA No. 11260 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 (OP) of the Philippines. 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. 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 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 GCG, 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. Equipment Outlays included in the Annual Procurement Program that require specific clearance/approval from the agencies concerned (e.g. Department of Information and Communications Technology 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, OP Memorandum Circular No. 9 dated December 14, 2010, among others.

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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: 12-17-19

Approved:

By Authority of the Secretary


TINA ROSE MARIE L. CANDA
Undersecretary

COB-C2-19-0066

cc: The Chairman
Board of Directors, SHFC

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

The Resident Auditor
COA-SHFC

Department of Budget and Management
BTS



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