



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

**CORPORATE OPERATING BUDGET**  
Fiscal Year 2020

**TO: SOCIAL HOUSING FINANCE CORPORATION (SHFC)**

Your Corporate Operating Budget (COB) for Fiscal Year 2019 per approved Board Resolution No. 725 dated May 3, 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 **SIX BILLION SIX HUNDRED THIRTY-THREE MILLION EIGHT HUNDRED NINETY-FIVE THOUSAND PESOS ONLY (P6,633,895,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
<b>TOTAL SOURCES:</b>	<b>P 17,745,105,000</b>	<b>P 12,250,732,000</b>	<b>P (5,494,373,000)</b>
Corporate Funds	3,563,773,000	3,563,773,000	-
National Government (NG) Support	14,181,332,000	8,686,959,000	(5,494,373,000)
Community Mortgage Program	5,723,763,000	325,000,000	(5,398,763,000)
High Density Housing Program (HDHP)	5,206,959,000	5,206,959,000	a/ -
Marawi Recovery, Rehabilitation and Reconstruction Program (MRRRP)	250,610,000	155,000,000	(95,610,000)
North-South Railway Project (NSRP)	3,000,000,000	3,000,000,000	-
<b>TOTAL USES:</b>	<b>P 14,825,880,000</b>	<b>P 6,633,895,000</b>	<b>P (8,191,985,000)</b>
Personnel Services (PS)	351,708,000	333,049,000	(18,659,000) b/
Maintenance and Other Operating Expenses (MOOE)	1,033,521,000	972,411,000	(61,110,000) c/
Capital Outlays (CO)	205,858,000	62,527,000	d/ (143,331,000) e/
Loans Outlay	10,363,630,000	2,394,745,000	(7,968,885,000) f/
NSRP	2,607,128,000	2,607,128,000	-
MRRP	134,464,000	134,464,000	-
Abot-Kaya Pabahay Fund Program	129,571,000	129,571,000	-
<b>Excess/(Shortfall)</b>	<b>P 2,919,225,000</b>	<b>P 5,616,837,000</b>	<b>P 2,697,612,000</b>

**Footnotes:**

a/ Includes P4.310 Billion representing unfunded allotment for the Housing Program for Informal Settler Families Residing in Danger Areas in Metro Manila.

b/ Details of the variance are shown below:

Particulars	Amounts in P '000	Remarks
<b>Provision for:</b>		
• Collective Negotiation Agreement Incentive	6,300	Chargeable against savings per Administrative Order (AO) No. 135 dated 12/27/05, implemented by BC No. 2006-1 dated 2/01/06
<b>Over provision for the following:</b>		
• Salaries	2,398	- Rates based on 4th Tranche of EO No. 201
• PERA	222	- Limited to P2,000/month/employee
• Uniform Allowance	72	- Limited to P6,000/annum/employee
• Year-end Bonus	200	- Limited to one (1) month basic salary as of October 31
• Midyear Bonus	200	- Limited to one (1) month basic salary as of October 31
• Cash Gift	60	- Limited to P5,000/annum/employee
• RATA	900	- Limited to rates under FY 2020 GAA
• Per Diems of Members of the Governing Board	4,032	Limited to rates under Sections 9 and 10 of EO No. 24 s. 2011
• Anniversary Bonus	540	- Limited to P3,000/annum per employee
• Cashier's Allowance	16	- Limited to P200/month for bonded positions
• Provident Fund	360	- Limited to 15% of basic salary 1/
• Meal Allowance	79	- Limited to P550/month/employee 1/
• Rice Allowance	259	- Limited to P1,800/month/employee 1/
• Medicine Allowance	84	- Limited to P7,000/annum/employee 1/
• HMO	736	- Limited to actual rate for FY 2019
• Transportation Allowance (Rank and File)	43	- Limited to P300/month/employee 1/
• Grocery Subsidy (Gift Check)	600	- Limited to P50,000/annum/employee 1/
• Productivity Enhancement Incentive	60	- Limited to P5,000/annum/employee
• Birthday Gift Benefit	36	- Limited to P3,000/annum/employee 1/
• SSS Contribution	1,443	- Rates pursuant to SSS Circular No. 2013-010, s. 2013
• Employees Compensation Insurance Premium	5	- Rates pursuant to SSS Circular No. 2013-010, s. 2013
• Pag-I.B.I.G. Contribution	14	- Limited to P100/month/employee
<b>Total</b>	<b>18,659</b>	

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



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c/ The MOOE level was computed considering actual/audited expenses for previous years and the effects of inflation. Likewise considered are actual as of November 2020 plus estimates for December 2020. Provision for Gender and Development is not considered because funds for the purpose must be a 5% attribution of the Corporation's total FY 2020 DBM-approved COB level, pursuant to Section 31 of the General Provisions of RA No. 11465, the FY 2020 GAA. The breakdown of variance is as follows:

Particulars	Amounts
Travelling Expenses	20,723,000
Training and Seminar Expenses	7,857,000
Water, Illumination and Power Service	2,170,000
Printing and Binding Expenses	301,000
Gender and Development Expenses	30,000,000
Extraordinary and Miscellaneous Expense	59,000
<b>Total</b>	<b>P 61,110,000</b>

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

Buildings and Structures Outlay	19,662,000
Office Equipment, Furniture, Fixtures and other equipment	42,865,000
<b>Total</b>	<b>62,527,000</b>

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

f/ The difference of P7.969 billion refers to funding requirements of housing projects which are expected to spill over to FY 2021.

**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 the case of those funded out of NG budgetary support, Section 70 of General Provisions of RA No. 11465 on the rules on the modification in allotment shall apply.**

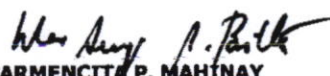
**The following conditions shall be observed and complied with:**

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 (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 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 (EME) and other MOOE expenditures shall be subject to 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.

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6. Moreover, it is understood that the acquisition of motor vehicle/s shall be in accordance with the Government Procurement Reform Act (RA No. 9184) and its Implementing Rules and Regulations, as well as subject to the usual budgeting, accounting, auditing, and other applicable laws, rules and regulations.
7. 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.
8. 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.
9. 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.
10. 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:**

*for*   
**CARMENCITA P. MAHINAY**  
Director, BMB-C

Date: 12-29-2020

**Approved:**

By Authority of the Secretary

  
**TINA ROSE MARIE L. CANDA**  
Undersecretary

COB-C2-20-0063

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