

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

ANGELA WE B. PATIL (em)  
01/18/2019 9:25am

CORPORATE OPERATING BUDGET

Fiscal Year 2018

TO: SOCIAL HOUSING FINANCE CORPORATION (SHFC)

Your Corporate Operating Budget (COB) for Fiscal Year 2018 per approved Board Resolution No. 642 dated April 5, 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 **TWO BILLION SEVEN HUNDRED SIXTY ONE MILLION THREE HUNDRED FIFTY FOUR THOUSAND PESOS ONLY (P2,761,354,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
<b>TOTAL SOURCES:</b>	<b>P 14,880,452,000</b>	<b>P 14,880,452,000</b>	<b>P -</b>
Corporate Funds	5,423,036,000	5,423,036,000	-
National Government (NG) Support	9,457,416,000	9,457,416,000	-
Community Mortgage Program (CMP)	237,409,000	237,409,000	a/ -
High Density Housing Program (HDHP)	3,220,007,000	3,220,007,000	b/ -
North-South Railway Project (NSRP)	6,000,000,000	6,000,000,000	-
<b>TOTAL USES:</b>	<b>P 14,880,452,000</b>	<b>P 2,761,354,000</b>	<b>P (1,105,814,000)</b>
Personnel Services (PS)	309,050,000	281,959,000	(27,091,000)
Maintenance and Other Operating Expenses (MOOE)	1,382,208,000	350,285,000	(1,031,923,000)
Capital Outlays (CO)	175,910,000	129,110,000	(46,800,000)
Loans Outlay	13,013,284,000	2,000,000,000	(11,013,284,000)
<b>Excess/(Shortfall)</b>	<b>P -</b>	<b>P 12,119,098,000</b>	<b>P 12,119,098,000</b>

Footnotes:

- a/ Pertains to FY 2017 unfunded allotment for the CMP released through the National Home Mortgage Finance Corporation.  
b. Includes P2.420 Billion representing unfunded allotment for the Housing Program for Informal Settler Families Residing in Danger Area in Metro Manila.  
c. The variance in PS refers to:

Particulars	Amounts in P '000	Remarks
<b>I. Overprovision of the following:</b>		
• Salaries	16,496	- Rates based on 3rd Tranche of EO No. 201
• PERA	702	- Limited to P2,000/month/employee
• Year-end Bonus	841	- Limited to one (1) month basic salary as of October 31
• Midyear Bonus	841	- Limited to one (1) month basic salary as of October 31
• Cash Gift	148	- Limited to P5,000/annum/employee
• RATA	348	- Limited to rates under FY 2018 GAA
• Provident Fund	1,385	- Limited to 15% of basic salary
• Economic Subsidy	690	- Limited to one (1) month basic salary plus allowances 1/
• Children's Allowance	321	- Limited to P30/month/employee (maximum of 4 children) 1/
• Meal Allowance	187	- Limited to P550/month/employee 1/
• Rice Allowance	610	- Limited to P1,800/month/employee 1/
• Medicine Allowance	168	- Limited to P7,000/annum/employee 1/
• HMO	252	- Limited to actual rate for FY 2018
• Transportation Allowance (Rank and File)	943	- Limited to P300/month/employee 1/
• Grocery Subsidy (Gift Check)	1,200	- Limited to P50,000/annum/employee 1/
• Productivity Enhancement Incentive	120	- Limited to P5,000/annum/employee
• Birthday Gift Benefit	72	- Limited to P3,000/annum/employee 1/
• SSS Contribution	452	- Rates pursuant to SSS Circular No. 2013-010, s. 2013
• Employees Compensation Insurance Premium	10	- Rates pursuant to SSS Circular No. 2013-010, s. 2013
• Pag-I.B.I.G. Contribution	29	- Limited to P100/month/employee
<b>II. Disallowance:</b>		
• Anniversary Bonus	1,275	- No legal basis
<b>Total</b>	<b>27,091</b>	

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By:

GASMIN Y. LUTON

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



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

d. The MOOE level was computed taking into consideration the actual expenses as of August 31, 2018 and actual/audited expenses for previous years plus the effects of inflation. Details of variance as follows:

Particulars	Amounts
Technical Assistance	P 464,241,000
Capacity Building	22,917,000
Training and Seminar Expenses	1,333,000
Supplies and Materials	5,814,000
Communication Expenses	1,940,000
Advertising Expenses	6,088,000
Water, Illumination and Power Service	6,520,000
Printing and Binding Expenses	125,000
Rents	35,740,000
Representation Expenses	5,305,000
Transportation and Delivery Expenses	165,456,000
Subscription Expenses	16,000
Professional Expenses	266,918,000
Repair and Maintenance	5,051,000
Subsidies and Donations	2,474,000
Extraordinary and Miscellaneous Expense	1,053,000
Financial Expenses	4,302,000
Miscellaneous Expenses	36,630,000
	<b>P 1,031,923,000</b>

e/ The variance in CO pertains to funding requirements of motor vehicles which will not be purchased in 2018.

f/ The difference of P11.013 billion refers to housing projects which cannot be implemented in the current year and thus expected to spill over to FY 2019, broken down as follows:

CMP	P 3,000,000,000
HDHP	2,220,007,000
NSRP	5,693,277,000
AKPF	100,000,000
	<b>P 11,013,284,000</b>

Notwithstanding the above-indicated variances in PS, MOOE, CO and loans outlay, the SHFC has the flexibility to modify its utilization within the DBM-approved budget level for each allotment class, for items funded out of corporate funds. In the case of those funded out of National Government budgetary support, Section 72 of the General Provisions of RA No. 10964 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 (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 provision 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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**TO: SOCIAL HOUSING FINANCE CORPORATION (SHFC)**

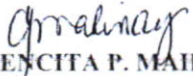
Electronic payment shall be observed in the disbursement of corporate and public funds. In case the same is impracticable, the GOCC shall be allowed to continue with the existing payment scheme.

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.

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.

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**  
Director, BMB-C

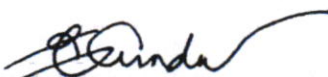
Date:

12-14-18

DEC 27 2018

**Approved:**

By Authority of the Secretary

  
**TINA ROSE MARIE L. CANDA**  
Undersecretary

COB-C2-18-0064

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

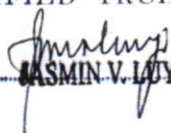
Department of Budget and Management  
BTS



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By:

  
**JASMIN V. LUYUN**