



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

CORPORATE OPERATING BUDGET

Fiscal Year 2021

TO: SOCIAL HOUSING FINANCE CORPORATION (SHFC)

Your Corporate Operating Budget (COB) for Fiscal Year **2021** per approved Board Resolution No. **937** dated **July 15, 2021**, 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 **FIVE BILLION SIX HUNDRED FIFTY-ONE MILLION FIVE HUNDRED ELEVEN THOUSAND PESOS ONLY (P5,651,511,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 14,832,839,000	P 14,832,839,000	P -
Corporate Funds	7,088,248,000	7,088,248,000	-
National Government (NG) Support	7,744,591,000	7,744,591,000	-
Community Mortgage Program	325,000,000	325,000,000	-
High Density Housing Program (HDHP)	3,821,715,000	3,821,715,000	a/
Marawi Recovery, Rehabilitation and Reconstruction Program (MRRRP)	187,876,000	187,876,000	-
North-South Railway Project (NSRP)	3,000,000,000	3,000,000,000	-
Strategy for the Inclusive Mainstreaming of People's Living Entitlements Program	410,000,000	410,000,000	-
TOTAL USES:	P 14,832,839,000	P 5,651,511,000	P (9,181,328,000)
Personnel Services (PS)	376,889,000	340,585,000	(36,304,000) b/
Maintenance and Other Operating Expenses (MOOE)	1,238,266,000	702,776,000	(535,490,000) c/
Capital Outlays (CO)	243,765,000	89,066,000	d/ (154,699,000) e/
Loans Outlay	12,973,919,000	4,519,084,000	f/ (8,454,835,000)
Excess/(Shortfall)	P -	P 9,181,328,000	P 9,181,328,000

Footnotes:

a/ Includes P3.453 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
Provision for:		
• Collective Negotiation Agreement Incentive	6,375	Chargeable against savings per Administrative Order (AO) No. 135 dated 12/27/05, implemented by BC No. 2006-1 dated 2/01/06
Over provision for the following:		
• Salaries	11,296	- Rates based on 4th Tranche of EO No. 201
• PERA	372	- Limited to P2,000/month/employee
• Uniform Allowance	186	- Limited to P6,000/annum/employee
• Year-end Bonus	72	- Limited to one (1) month basic salary as of October 31
• Midyear Bonus	1,810	- Limited to one (1) month basic salary as of October 31
• RATA	1,016	- Limited to rates under FY 2020 GAA
• Per Diems of Members of the Governing Board	9,792	Limited to rates under Sections 9 and 10 of EO No. 24 s. 2011
• Anniversary Bonus	510	- Limited to P3,000/annum per employee
• Cashier's Allowance	48	- Limited to P200/month for bonded positions
• Provident Fund	1,694	- Limited to 15% of basic salary 1/
• Economic Subsidy	192	- Limited to one (1) month basic salary plus allowances 1/
• Children's Allowance	22	- Limited to P30/month/employee (maximum of 4 children) 1/
• Meal Allowance	102	- Limited to P550/month/employee 1/
• Rice Allowance	335	- Limited to P1,800/month/employee 1/
• HMO	701	- Limited to actual rate for FY 2019
• Transportation Allowance (Rank and File)	38	- Limited to P300/month/employee 1/
• SSS Contribution	300	- Rates pursuant to SSS Circular Number 2020-033-B,s. 2020
• Employees Compensation Insurance Premium	6	- Rates pursuant to SSS Circular Number 2020-033-B,s. 2020
• Pag-I.B.I.G. Contribution	325	- Limited to P100/month/employee
• Philhealth Contribution	1,112	- Limited to rates under Philhealth Circular No. 2019-009
Total	36,304	

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

TO: SOCIAL HOUSING FINANCE CORPORATION (SHFC)

c/ The MOOE level was computed considering actual/audited expenses for previous years and the effects of inflation. Likewise considered are actual as of August 31, 2021. The breakdown of variance is as follows:

Particulars	Amount
Technical Assistance	58,671,000
Capacity Building	35,342,000
CMP-MS Service Fee	40,425,000
Traveling Expenses	1,532,000
Training and Seminar Expenses	754,000
Supplies and Materials	6,422,000
Communication Expenses	12,692,000
Advertising Expenses	2,595,000
Water, Illumination and Power Service	5,477,000
Printing and Binding Expenses	932,000
Rents	12,522,000
Representation Expenses	6,570,000
Transportation and Delivery Expenses	55,374,000
Subscription Expenses	8,259,000
Consultancy Services	48,747,000
General Services	141,105,000
Janitorial Services	6,337,000
Security Services	39,688,000
Other Professional Services	11,010,000
Repair and Maintenance - Government Facilities	10,216,000
Extraordinary and Miscellaneous Expense	132,000
Bank Charges	215,000
Interest Expenses	354,000
Other Financial Charges	350,000
Litigation and foreclosure expenses	2,277,000
Cultural and Athletic Activities	2,050,000
Other Corporate Activities	5,346,000
Other Expenses	20,096,000
Total	P 535,490,000

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

Buildings and Structures Outlay	42,351,000
Machinery and Equipment Outlay	30,004,000
Furniture, Fixtures and Books outlay	2,988,000
Transportation Equipment	13,723,000
Total	89,066,000

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

f/ The difference of P8.455 billion refers to funding requirements of housing projects which are expected to spill over to FY 2022.

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 items funded out of corporate funds. In the case of those funded out of NG budgetary support, Section 72 of the General Provisions of RA No. 11518 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.

TO: SOCIAL HOUSING FINANCE CORPORATION (SHFC)

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:

Digitally signed by
Elena Regina S.
Brillantes
ELENA REGINA S. BRILLANTES
OIC- Director, BMB-C

Date: OCT 15 2021

Approved:



JINA ROSE MARIE L. CANDA
Officer-in-Charge, DBM

COB-C2-21-0064

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

