



REPUBLIC OF THE PHILIPPINES
Department of Budget and Management
 Malacañang, Manila

CORPORATE OPERATING BUDGET
 Calendar Year 2011

TO: EMPLOYEES' COMPENSATION COMMISSION and OCCUPATIONAL SAFETY AND HEALTH CENTER (ECC-OSHC)

Your Corporate Operating Budget (COB) for Calendar Year 2011 per Board Resolution Nos. 11-01-001 and 2010-03-02, dated January 28, 2011 and January 20, 2011, respectively, for regular and Resolution No. 11-01-02 dated January 28, 2011 for supplemental and submitted pursuant to Section 6 of Executive Order (E.O.) No. 518, series of 1979 and Section 19, Chapter 3, Book VI of E.O. No. 292, series of 1987, is hereby approved for a total of **ONE HUNDRED NINETY SIX MILLION SEVEN HUNDRED THIRTY FOUR THOUSAND PESOS ONLY (P196,734,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)	REMARKS
TOTAL SOURCES:	P 237,141,000	P 237,141,000	P -	
Corporate Funds	237,141,000	237,141,000	a/ -	
Employees' Compensation Commission (ECC)	108,181,000	108,181,000	-	
State Insurance Fund (SIF)	73,100,000	73,100,000	-	
Interest Income/Retained Earnings	35,081,000	35,081,000	-	
Occupational Safety and Health Center (OSHC)	128,960,000	128,960,000	-	
SIF	103,460,000	103,460,000	-	
Interest Income/Retained Earnings	25,500,000	25,500,000	-	
TOTAL USES:	P 220,451,000	P 196,734,000	P (23,717,000)	
Personal Services (PS)	98,268,000	85,014,000	(13,254,000) b/	
ECC	41,553,000	39,271,000	(2,282,000)	
OSHC	56,715,000	45,743,000	(10,972,000)	
Maintenance & Other Operating Exp. (MOOE)	81,343,000	70,880,000	(10,463,000) c/	
ECC	31,868,000	26,688,000	(5,180,000)	
OSHC	49,475,000	44,192,000	(5,283,000)	
Capital Outlays (CO)	40,840,000	40,840,000	d -	
ECC	25,615,000	25,615,000	-	
OSHC	15,225,000	15,225,000	-	
Excess / (Shortfall)	P 16,690,000	P 40,407,000	P 23,717,000	

Footnotes:

a/ To be sourced from the 12% loading fund of SIF from SSS and GSIS and internally generated funds.

b/ The variance of P13,254,000 refers to overprovision of the following:

	ECC	OSHC	TOTAL	REMARKS
Salaries	P 1,290,000	P 4,087,000	P 5,377,000	Excess in the computation of authorized vs. filled positions
Personnel Economic Relief Allowance	138,000	480,000	618,000	Limited to P2,000/mo. x 12 mos. x filled positions
Uniform/Clothing Allowance	40,000	80,000	120,000	Limited to P4,000/yr. x filled pos.
Year-end Bonus	220,000	375,000	595,000	Limited to one month salary per employee
Cash Gift	50,000	100,000	150,000	Limited to P5,000/yr. x filled pos.
Productivity Incentive Benefit	20,000	40,000	60,000	Limited to P2,000/yr. x filled pos.
Subsistence Allowance	104,000	360,000	464,000	Limited to P1,500/mo. x 12 mos. x filled positions

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Laundry Allowance	10,000	35,000	45,000	Limited to P150/mo. x 12 mos. x filled positions
Hazard Pay		1,384,000	1,384,000	Limited to 25% of the basic salary of public health workers with SG-19 and below; 5% with SG-20 and above per Section 21 of R.A. No. 7305 (Magna Carta)
Longevity Pay	213,000	1,489,000	1,702,000	PHWs shall either be entitled to step increment or longevity pay but not both benefits
Life and Retirement Insurance	155,000	2,437,000	2,592,000	12% of total salaries for filled pos.
Employee Compensation Insurance Premium	7,000	24,000	31,000	Limited to P100/mo. x 12 mos. x filled positions
PAG-IBIG Contributions	7,000	24,000	31,000	Limited to P100/mo. x 12 mos. x filled positions
PhilHealth Insurance Premiums	28,000	57,000	85,000	Excess in the computation made by ECC and OSHC
TOTAL	P 2,282,000	P 10,972,000	P 13,254,000	

c/ MOOE level is computed considering actual/audited expenses for the previous years and the effects of inflation; thus, disallowance of P10,463,000. The authorized level of Extraordinary and Miscellaneous Expenses for the Executive Director and Deputy Executive Director of ECC and OSHC amounts to P110,000 and P204,000, respectively.

d/ CO is intended for the following:

	<u>ECC</u>	<u>OSHC</u>	<u>TOTAL</u>
IT Equipment & Software	P 12,531,000	P 210,000	P 12,741,000
Furnitures, Fixtures, Office & Training Equip.	4,084,000	1,935,000	6,019,000
Laboratory Equipment		8,580,000	8,580,000
Replacement of two (2) Dilapidated Elevators	6,500,000		6,500,000
Rehabilitation of building toilets	2,500,000		2,500,000
Construction of storage area for scaffolding		500,000	500,000
Elevation of the back of OSHC Perimeter		2,500,000	2,500,000
General repair of comfort rooms		1,500,000	1,500,000
TOTAL	P 25,615,000	P 15,225,000	P 40,840,000


The approval of the COB shall be subject to the following conditions:

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. Disbursement for personnel amelioration/benefit shall be subject to the pertinent compensation laws, rules and regulations, including E.O. Nos. 7 and 24 dated September 8, 2010 and February 10, 2011, respectively. Such expenditures shall also be conditioned on the relevant General Provisions of Republic Act (R.A.) No. 10147, the FY 2011 General Appropriations Act (ex. Representation and Transportation Allowance under Section 51, General Provisions), or any specific law or approval of the President of the Philippines or Secretary of Budget and Management, as the case maybe.
3. Disbursements for extraordinary and miscellaneous expenses shall be subject to Section 26, General Provisions of R.A. No. 10147.
4. Disbursements from the Confidential & Intelligence Fund shall be covered by an approval from the President of the Philippines.

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5. For equipment items per Annual Equipment Procurement Program that require specific clearance/approval from the Agencies concerned (ex. National Computer Center for information technology equipment and Office of the President/Department of Budget and Management/Supervising Department for motor vehicles), the same shall be secured before acquisition thereof in accordance with Corporate Budget Circular No. 17 dated February 9, 1996, National Budget Circular Nos. 446 & 446-A dated November 24, 1995 and January 30, 1998, respectively; Budget Circular No. 2010-2 dated March 1, 2010, Administrative Order (A.O.) No. 233 dated August 1, 2008, Office of the President Memorandum Circular No. 9 dated December 14, 2010 and A.O. No. 15 dated May 25, 2011, among others.
6. The fiscal discipline measures prescribed under A.O. No. 103 dated August 31, 2004 shall be observed.
7. 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.
8. The pertinent laws, rules and regulations including those on compensation, procurement, budgeting, accounting and auditing shall be strictly followed. Compliance with all existing laws, rules and regulations shall be the responsibility of the implementing government corporation.

Recommending Approval:


MARY GRACE R. CHUA
Director, BMB - F

Approved by:
By authority of the Secretary:


MARIO L. RELAMPAGOS
Undersecretary

Date: November 23, 2011

COB No. F4-11-0016

cc: The Chairman
Board of Trustees, ECC/OSHC

Assistant Commissioner Jaime P. Naranjo
Commission on Audit (COA) - Central Office
COA Building, Quezon City

The Resident Auditor
COA - ECC/OSHC