



Republic of the Philippines
DEPARTMENT OF BUDGET AND MANAGEMENT
 Boncodin Hall, General Solano Street San Miguel Manila

CORPORATE OPERATING BUDGET

Calendar Year 2017

TO: EMPLOYEES' COMPENSATION COMMISSION

Your Corporate Operating Budget (COB) for Calendar Year 2017 per ECC Board Resolution No. 16-07-30 dated July 28, 2016 and Board Resolution No. 17-01-03 dated January 25, 2017, 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 amount not exceeding **ONE HUNDRED SEVENTY ONE MILLION ONE HUNDRED TWO THOUSAND PESOS ONLY (P171,102,000)** details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)	REMARKS
TOTAL SOURCES:	P <u>191,222,000</u>	P <u>191,222,000</u>	a/ -	
Corporate Funds	191,222,000	191,222,000	-	
State Insurance Fund (SIF)	114,695,000	114,695,000	-	
Income/Retained Earnings	76,527,000	76,527,000		
TOTAL USES:	P <u>175,872,000</u>	P <u>171,102,000</u>	P (4,770,000)	
Personnel Services (PS)	60,135,000	57,057,000	(3,078,000) b/	
Maintenance & Other Operating Exp. (MOOE)	84,601,000 *	83,509,000 c/	(1,092,000)	
Capital Outlays (CO)	31,136,000 **	30,536,000 d/	(600,000) e/	
Excess/Shortfall	P <u>15,350,000</u>	<u>20,120,000</u>	<u>4,770,000</u>	

* Includes CO items in the total amount of P41,000 which are below the capitalization threshold of P15,000 pursuant to Circular No. 2016-7 dated July 20, 2016.

**Excludes the amount of P41,000 which was transferred to MOOE for proposed CO items which are below the capitalization threshold of P15,000 per Circular Letter No. 2016-7 dated July 20, 2016.

Footnotes:

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

b/ The variance of P3,078,000 refers to the following:

Lump sum for Casuals	537,000	Excess in the computation
Permanent/Regular:		
Salaries and other benefits	580,000	Salaries of 1 Engineer pos. not yet been approved by GCG and erroneous computation on the salaries of Accountant III, Executive Assistan II and Records Officer II.
Transportation Allowance (TA)	108,000	Executive Director with service car is not entitled to TA.
Productivity Enhancement Incentives (PEI)	1,829,000	Excess in the computation
Per Diem	24,000	Excess in the computation (5,000/meeting x 3 appointive Board x 12 months per E.O. No. 24.
TOTAL	P <u>3,078,000</u>	

c/ MOOE level is computed based on the actual/audited expenses for the previous years and the effects of inflation.

d/ CO is intended for the following:

Transportation Equipment	900,000
Furnitures, Fixtures, Office & Training Equip.	9,513,000
Laboratory Equipment	
Building Improvement	13,540,000
IT equipment (ISSP)	6,583,000
TOTAL	P <u>30,536,000</u>

e/ The variance of P600,000.00 pertains to the excess in the estimated cost MV which has already been acted upon earlier.

TO: EMPLOYEES' COMPENSATION COMMISSION

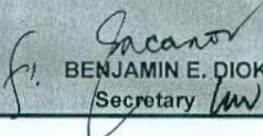
The approval of the COB shall be subject to the following conditions:

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. Disbursements for personnel amelioration/benefit shall be subject to the pertinent compensation laws, rules and regulations, including E.O. Nos. 7 & 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. 10924, the FY 2017 General Appropriations Act (ex. Representation and Transportation Allowances under Section 54, 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 42, General Provisions of R.A. No. 10924.
4. For equipment items per Annual Equipment Procurement Program that require specific clearance/approval from the Agencies concerned (ex. Medium-Term Information and Communication Technology Harmonization Initiative Secretariat 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 and National Budget Circular Nos. 446 and 446-A dated November 24, 1995 and January 30, 1998, respectively; Budget Circular No. 2016-5 dated August 22, 2016 and 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.
5. The fiscal discipline measures prescribed under A.O. No. 103 dated August 31, 2004 shall be observed.
6. 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.
7. 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:


LORENZO C. BRAPETE
Director, Budget and Management Bureau-C

Approved:


BENJAMIN E. DIOKNO
Secretary

Date:

cc: The Chairman
Board of Trustees, ECC

Assistant Commissioner Lourdes M. Castillo
Commission on Audit (COA) - Central Office
COA Building, Quezon City

The Resident Auditor
COA - ECC

APR 04 2017

COB-C4-17-0006

Department of Budget and Management
BTS



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