



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
HOUSE OF REPRESENTATIVES - 1935

CORPORATE OPERATING BUDGET (COB)

Fiscal Year (FY) 2020

To: Employees Compensation Commission (ECC)

Your COB for FY 2020 per ECC Board Resolution No. 19-12-50 dated December 19, 2019 submitted pursuant to Section 6 of Executive Order (EO) No. 518, series of (s.) 1979 and Section 19, Chapter 3, Book VI of EO No. 292, s. 1987 and as reiterated in Corporate Budget Circular (CBC) No. 22 dated December 1, 2016, is hereby approved for a total of **SIX HUNDRED NINE MILLION FOUR HUNDRED TWENTY-TWO THOUSAND PESOS ONLY (P609,422,000.00)**, details of which are shown below:

PARTICULARS	PROPOSAL	APPROVED	VARIANCE
TOTAL SOURCES:	P 652,593,000	P 652,593,000	P -
Corporate Funds			
State Insurance Fund	439,772,000	439,772,000	-
Other Income	43,438,000	43,438,000	-
Retained Earnings	169,383,000	169,383,000	-
Of which:			
Occupational Safety and Health Center (OSHC)	332,980,000	332,980,000	-
State Insurance Fund	269,831,000	269,831,000	-
Other Income	26,674,000	26,674,000	-
Retained Earnings	36,475,000	36,475,000	-
TOTAL USES:	P 649,164,000	P 609,422,000	P (39,742,000)
Personnel Services	184,546,000	171,527,000	(13,019,000) a/
Maintenance and Other Operating Expenses	377,092,000	350,369,000	(26,723,000) b/
Capital Outlays	87,526,000	87,526,000	c/ -
Of which:			
OSHC	332,978,000	319,054,000	(13,924,000)
Personnel Services	99,240,000	93,003,000	(6,237,000)
Maintenance and Other Operating Expenses	197,264,000	189,577,000	(7,687,000)
Capital Outlays	36,474,000	36,474,000	-
Excess/(Shortfall)	P 3,429,000	P 43,171,000	P (39,742,000)

a/ The PS level variance refers to the following:

	ECC	OSHC	Total
Basic Salary, Permanent	4,135,000	4,731,000	8,866,000
Salaries, Casual	1,402,000		1,402,000
PERA	24,000		24,000
Uniform/Clothing Allowance	6,000		6,000
Mid-Year Bonus	345,000	394,000	739,000
Year-End Bonus	345,000	394,000	739,000
Cash Gift	5,000		5,000
PEI	5,000		5,000
Anniversary Bonus	10,000		10,000
Loyalty Cash Award	5,000	95,000	100,000
Philhealth Contributions	4,000	55,000	59,000
RLIP	496,000	568,000	1,064,000
Total	6,782,000	6,237,000	13,019,000

Rates computed based on the 4th tranche SSL 4 per EO 201. The ECC is covered by RA 10149, thus is excluded from the coverage of "Salary Standardization Act of 2019 or SSL 5"

Overprovision, based on the prescribed rates x number of authorized positions

- Based on 12% of salaries

b/ The MOOE level was computed considering actual/audited expenses for the previous years and the effects of inflation, except for items covered by contracts and Auditing Services which was based on the Commission on Audit assessment cost of audit fees. Details of variance as follows:

	ECC	OSHC	Total
Supplies & Materials	2,396,000		2,396,000
Utilities Expense	1,404,000	3,827,000	5,231,000
Communications Expense	1,056,000	321,000	1,377,000
Repairs and Maintenance Expense	3,463,000	1,913,000	5,376,000
Taxes, Insurance Premiums & Other Fees	13,000	1,464,000	1,477,000
Transportation and Delivery Expense	73,000	40,000	113,000
Membership, Dues and Contributions	97,000	86,000	183,000
Subscription Expenses	14,000	36,000	50,000
Other MOOE	10,520,000		10,520,000
Total	19,036,000	7,687,000	26,723,000

c/ The CO is recommended as proposed, details as follows:

	ECC	OSHC	Total
Building and Structures Outlay	38,500,000	10,385,000	48,885,000
Machineries and Equipment Outlay	8,951,000	21,479,000	30,430,000
Furniture & Fixtures & Books Outlay	15,000	1,410,000	1,425,000
ICT Equipment Outlay	2,086,000	-	2,086,000



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DEPARTMENT OF BUDGET AND MANAGEMENT
BUNYODIN HALL, GEN. SOLANO ST., SAN MIGUEL, MANILA

CORPORATE OPERATING BUDGET (COB)

Fiscal Year (FY) 2020

To: Employees Compensation Commission (ECC)

Transportation Equipment Outlay*	1,500,000	3,200,000	4,700,000
Total	51,052,000	36,474,000	87,526,000

* The purchase of transportation equipment shall be consistent with the following guidelines:

1. Per Administrative Order (AO) No. 14 dated December 10, 2018, the proposed acquisition of motor vehicles is approved by the Department of Budget and Management through the attached Authority to Purchase Motor Vehicle (APMV No. C-20-0028). The procurement shall be subject to the endorsement from the Department of Labor and Employment, as the supervising body of the ECC.
2. Procuring entities may undertake their own procurement of motor vehicles pursuant to GPPB Resolution No. 20-2019.

Notwithstanding the above indicated variances in PS and MOOE, the ECC and the OSHC have the flexibility to modify its utilization within the DBM-approved budget level for each allotment class, funded out of corporate funds.

The following conditions shall be observed and complied with:

1. All expenditures, whether for current operating expenditures or CO, shall be made within the limits of available funds realized from corporate receipts, and authorized corporate borrowings.
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). Disbursement for PS shall strictly observe pertinent compensation laws, rules and regulations, including Executive Order (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 Republic Act 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 the Secretary of Budget and Management, as the case maybe.
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 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; Office of the President 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.
6. 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.
7. 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.
8. 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.
9. Any and all officials or 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

Approved:

By Authority of the Secretary


TINA ROSE MARIE L. CANDA
Undersecretary

Date: 20-Aug-20

COB No. **C3-2020-0003**

cc: The Chairman
Board of Directors/Trustees, ECC-OSHC
The Head, Corporate Sector
Commission on Audit (COA) - Central Office
COA Building, Quezon City
The Resident Auditor
COA - ECC-OSHC