



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

CORPORATE OPERATING BUDGET

Fiscal Year 2024

TO: EMPLOYEES COMPENSATION COMMISSION (ECC)

Your Corporate Operating Budget (COB) for Fiscal Year 2024 per ECC Board Resolution No. 23-11-28 dated November 10, 2023, 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 amount of **SEVEN HUNDRED TWENTY-TWO MILLION EIGHT HUNDRED TWENTY THOUSAND PESOS ONLY (P722,820,000.00)**, details of which are shown below:

PARTICULARS	PROPOSAL		APPROVED		VARIANCE (c=b-a)	
	(a)	(b)	(a)	(b)		
TOTAL SOURCES:	P	805,408,000	P	805,408,000	P	-
Corporate Funds						
State Insurance Fund		634,736,000		634,736,000		-
Other Income		21,705,000		21,705,000		-
Retained Earnings		148,967,000		148,967,000		-
<i>of which:</i>						
Occupational Safety and Health Center (OSHC)		356,759,000		356,759,000		-
State Insurance Fund		290,487,000		290,487,000		-
Other Income		7,305,000		7,305,000		-
Retained Earnings		58,967,000		58,967,000		-
TOTAL USES	P	773,879,000	P	722,820,000	P	(51,059,000)
Personnel Services		217,673,000		217,673,000	a/	-
Maintenance & Other Operating Expenses		448,464,000		397,405,000	b/	(51,059,000)
Capital Outlays		107,742,000		107,742,000	c/	-
<i>of which:</i>						
OSHC		349,454,000		328,903,000		(20,551,000)
Personnel Services (PS)		118,452,000		118,452,000		-
Maintenance & Other Operating Expenses (MOOE)		203,435,000		182,884,000		(20,551,000)
Capital Outlays (CO)		27,567,000		27,567,000		-
Excess / Shortfall	P	31,529,000	P	82,588,000	P	51,059,000

Footnote:

a/ The recommended PS level considers the ECC and OSHC's adoption of the Compensation and Position Classification System (CPCS) per Governance Commission for Government-Owned or Controlled Corporations (GCG) approval dated June 8, 2022. The said CPCS approval expressly authorizes the ECC to adopt the Category 1 Salary Structure for its authorized positions based on their CPCS Job Grade equivalent position, pursuant to Executive Order No. 150 dated October 1, 2021, its implementing rules and regulations, and corresponding CPCS Circulars for each PS item.

b/ The recommended MOOE level is computed considering the prior year's performance on budget utilization, except for items covered by contracts, which are recommended as proposed. The variance of **P51,059,000** pertains to the effect of the application of the year with the highest budget utilization rate, i.e., **73%** in FY 2021.

c/ The recommended CO level considers the implementation-readiness of the projects and activities under the respective CO items.

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

1. Per Budget Circular No. 2022-01 dated February 11, 2022, the proposed acquisition of motor vehicles are approved by the Department of Budget and Management through the attached **Authority to Purchase Motor Vehicle (APMV) No. C-24-0036**.

2. Procuring entities may undertake their own procurement of motor vehicles pursuant to GPPB Resolution No. 20-2019 which delisted the motor vehicles from the list of Common-Use Supplies and Equipment to be procured thru the Procurement Service (PS).

Notwithstanding the above-indicated variance in MOOE, the ECC and OSHC still has the flexibility to modify its utilization within the total DBM-approved budget level.

Further, 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.

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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 require prior approval by the Office of the President (OP). **Disbursements 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. 150 dated October 1, 2021 for Government-Owned and - Controlled Corporations (GOCCs) covered by Republic Act (RA) No. 10149. Such expenditures shall also be subject to relevant conditions under the General Provisions (GPs) of the annual General Appropriations Act (GAA) or any specific law or approval of the President of the Philippines or Secretary of Budget and Management or the GCG, as the case may be.
4. Disbursements for Extraordinary and Miscellaneous Expenses and other MOOE items shall be subject to the 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 (e.g., OP/Department of Budget and Management/Supervising Department for the purchase of Motor Vehicles, if any, in accordance with the provisions of the Budget Circular No. 2022-01 dated February 11, 2022 [Omnibus Guidelines on the Acquisition, Use, Rental, and Replacement of MVs], RA No. 9184 (Government Procurement Reform Act) and its Implementing Rules and Regulations, among others).
6. Electronic payment shall be observed in the disbursement of corporate funds. In case the same is impracticable, the GOCC shall be allowed to continue with the existing payment scheme.
7. Pursuant to Administrative Order No. 6 dated September 19, 2017, no irregular, unnecessary, extravagant, excessive and unconscionable expenses shall be incurred. Furthermore, existing laws, rules and regulations mandating the judicious and prudent use of government funds shall be observed.
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 existing laws, rules and regulations.
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:

Digitally signed
by Lulu P. Vispo
For: **ELENA REGINA S. BRILLANTES**
Director IV, BMB - C

Approved:

AMENAH F. PANGANDAMAN
Secretary, DBM

cc: **The Chairman**
Board of Directors, ECC/OSHC

Assistant Commissioner for Corporate Government Audit Sector
Commission on Audit (COA) - Central Office
COA Building, Quezon City

The Resident Auditor
COA - ECC/OSHC



COB No. C2-24-0047

Date: MAY 03 2024