



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

CORPORATE OPERATING BUDGET

Calendar Year 2017

TO: SOCIAL HOUSING FINANCE CORPORATION (SHFC)

Your Corporate Operating Budget (COB) for Calendar Year 2017 per approved Board Resolution No. 554 dated March 10, 2017, 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 NINE HUNDRED SEVENTY FIVE MILLION NINE HUNDRED SEVEN THOUSAND PESOS ONLY (P5,975,907,000)**, details of which are shown below:

| PARTICULARS | PROPOSAL (a) | APPROVED (b) | VARIANCE (c=b-a) |
|---|------------------------|------------------------|------------------------|
| TOTAL SOURCES: | P <u>6,158,173,000</u> | P <u>6,158,173,000</u> | P - |
| Corporate Funds | 1,858,645,000 | 1,858,645,000 | - |
| National Government (NG) Support | <u>4,299,528,000</u> | <u>4,299,528,000</u> | - |
| Community Mortgage Program (CMP) | 1,237,409,000 | 1,237,409,000 | a/ - |
| High Density Housing Program (HDHP) | 3,062,119,000 | 3,062,119,000 | b/ - |
| TOTAL USES: | P <u>6,158,173,000</u> | P <u>5,975,907,000</u> | P <u>(182,266,000)</u> |
| Personnel Services (PS) | 225,551,000 | 225,551,000 | c/ - |
| Maintenance and Other Operating Expenses (MOOE) | 600,210,000 | 417,944,000 | d/ (182,266,000) |
| Capital Outlays (CO) | <u>5,332,412,000</u> | <u>5,332,412,000</u> | e/ - |
| Excess/(Shortfall) | P <u>-</u> | P <u>182,266,000</u> | P <u>182,266,000</u> |

Footnotes:

- a/ Includes P1 Billion representing FY 2016 unfunded allotment for the CMP released through the National Home Mortgage Finance
- b/ Includes P2.783 Billion representing unfunded allotment for the Housing Program for Informal Settler Families Residing in Danger Areas in Metro Manila.
- c/ Includes P13.270 Million which shall be used exclusively for the initial implementation of Executive Order No. 36 once approved by the Governance Commission for Government-Owned and/or Controlled Corporations (GCG).

Pursuant to Section 2 of EO No. 36 dated July 28, 2017, SSL-covered GOCCs shall adopt the Modified Salary Schedule under EO No. 201 dated February 19, 2016 as well as allowances and benefits provided therein, upon approval by the GCG. The implementation of the compensation adjustments shall be subject to the provisions of EO No. 201, where applicable. GOCCs which do not have adequate or sufficient funds shall partially implement the Modified Salary Schedule and authorized benefits. In case of partial implementation, the same shall be at uniform percentage across all positions of GOCC.

- d/ MOOE level is computed considering actual/audited expenses for the previous years, effects of inflation. The amount authorized for Extraordinary and Miscellaneous Expenses at P741,600 is based on the prescribed rates in the FY 2017 GAA. Provision for Gender and Development is not considered because funds for the purpose must be a 5% attribution of the Corporation's total FY 2017 DBM-approved COB level, pursuant to Section 30 of the General Provisions of RA 10924, the FY 2017 GAA.

- e/ CO is intended for the following:

| | |
|--|-------------------------------|
| Loans Outlay | P 5,246,096,000 |
| Buildings and Structures Outlay | 25,148,000 |
| Office Equipment, Furniture and Fixtures | 53,918,000 |
| Transportation Equipment | <u>7,250,000</u> |
| TOTAL | P <u>5,332,412,000</u> |

TO: SOCIAL HOUSING FINANCE CORPORATION (SHFC)

This approval shall not be construed as an authorization for specific expenditure items under PS which requires prior approval of the OP. 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.
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. Disbursement for Personnel Services (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 RA 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 GCG, as the case maybe.
4. Disbursements for extraordinary and miscellaneous expenses (EME) and other MOOE expenditures shall be subject to relevant provision of the annual GAA, among others.
5. Equipment outlays included in the Annual Procurement Program that require specific clearance/approval from the agencies concerned (ex. Information and Communications Technology Office (DICT-ICTO) 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, Budget Circular No. 2017-1 (amending BC No. 2016-5) dated April 26, 2017, and AO No. 15 (amending AO 233,s. 2008), dated May 25, 2011, Office of the President Memorandum Circular No. 9 dated December 14, 2010, among others.
6. Electronic payment shall be observed in the disbursement of corporate and public funds. In cases when the adoption is impracticable, GOCC shall be allowed to continue with the existing payment scheme.
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.

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 292.

Recommending Approval:


LORENZO C. DRAPETE
Director, BMB-C

Date: **OCT 20 2017**

Approved:

By Authority of the Secretary


LUZ M. CANTOR
Undersecretary

COB-C2-17-0070

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

Department of Budget and Management
BTS



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