



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
 BONCODIN HALL, GEN. SOLANO ST., SAN MIGUEL, MANILA

CORPORATE OPERATING BUDGET
Fiscal Year 2017

TO: NATIONAL KIDNEY & TRANSPLANT INSTITUTE (NKTi)

Your Corporate Operating Budget (COB) for Calendar Year 2017 per Board of Trustees Resolution No. NKTi-2017-001 dated February 9, 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 of **TWO BILLION EIGHT HUNDRED FORTY FOUR MILLION EIGHT HUNDRED EIGHTY FIVE THOUSAND PESOS ONLY (P2,844,885,000)**, details of which are as follows:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 3,695,509,000	P 3,122,235,000	P (573,274,000)
Corporate Funds	3,230,655,000	2,657,381,000 a/	(573,274,000)
General Fund/NG Support	464,854,000	464,854,000	-
TOTAL USES	3,360,817,000	2,844,885,000	(515,932,000)
Personnel Services (PS)	644,426,000	644,062,000	(364,000) b/
Maintenance & Other Operating Expenses (MOOE)	1,960,295,000	1,444,727,000	(515,568,000) c/
Capital Outlays (CO)	756,096,000	756,096,000 d/	-
Excess / Shortfall	P 334,692,000	P 277,350,000	P (57,342,000)

Footnote:

a/ Corporate funds of P2,657,381,000 is computed as follows:

Operating income from hospital operations	P 3,230,655,000
Less: QFS and Discounts	613,824,000
Net Operating Income	2,616,831,000
Add: Non-operating receipts, interest income, etc.	40,550,000
Total	P 2,657,381,000

b. The variance of P364,000 refers to overprovision of the following PS items:

a. Employee Compensation Insurance Premium	43,000	Computed based on the PhilHealth Contribution Table as prescribed under the DBM Circular Letter No. 2017-3 dated Jan 3, 2017.
b. PAG-IBIG Contributions	43,000	P100 x 12 months x 1,035 positions
c. Philhealth Contributions	278,000	P100 x 12 months x 1,035 positions
TOTAL	P 364,000	

The grant of compensation-related Magna Carta benefits to Public Health Workers (PHW) per joint DBM and DOH Circular No. 1, S. 2012 shall be strictly complied with. PHWs entitled to Magna Carta benefits can avail of the remuneration whichever is most advantageous to the employees.

Out of the recommended level for PS, the amount of P32.860 Million shall be used for payment of Terminal Leave Benefits (TLB).

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

d/ The provision for CO is intended for the following:

Land and land improvements outlay	P 202,865,000
Furniture, Fixtures, Equipment and Books Outlay	197,731,000
Motor Vehicles	5,500,000
Buildings and Structures Outlay	350,000,000
Total	P 756,096,000



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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. 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 201 for GOCCs not covered by RA 10149 and EO 203 and amendments thereto 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, 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.
5. Equipment outlays included in the Annual 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, 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. The fiscal discipline measures prescribed under A.O. No. 103 dated August 31, 2004 shall be strictly observed.
7. 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.
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.

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

Approved:

By Authority of the Secretary:


LUZ M. CANTOR
Undersecretary

Date: JUL 26 2017

COB No. C2-17-0037

cc: The Chairman
Board of Trustees, NKTI

Assistant Commissioner Winnie Rose H. Encallado
Commission on Audit (COA) - Central Office

The Resident Auditor
COA - NKTI

Department of Budget and Management
BTS



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