



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

CORPORATE OPERATING BUDGET
Fiscal Year 2021

TO: NATIONAL KIDNEY & TRANSPLANT INSTITUTE (NKT)

Your Corporate Operating Budget (COB) for Fiscal Year 2021 per Board of Trustees Resolution No. 2020-12-04-01R dated December 4, 2020, submitted pursuant to Section 6 of Executive Order (EO) 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 **FOUR BILLION NINE HUNDRED FIFTY-EIGHT MILLION SIX HUNDRED FIFTY THOUSAND PESOS ONLY (P4,958,650,000)**, details of which are as follows:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 5,023,896,000	P 5,023,896,000	P -
Corporate Funds	3,743,454,000	3,743,454,000	-
National Government (NG) Support	1,280,442,000	1,280,442,000	a/ -
TOTAL USES	4,990,404,000	4,958,650,000	(31,754,000)
Personnel Services (PS)	1,382,479,000	1,369,356,000	(13,123,000) b/
Maintenance and Other Operating Expenses (MOOE)	2,804,922,000	2,791,291,000	(13,631,000) c/
Capital Outlays (CO)	803,003,000	798,003,000	(5,000,000) e/
Excess / Shortfall	P 33,492,000	P 65,246,000	P 31,754,000

Footnotes:

a/ Inclusive of the Congress-Introduced Changes/Adjustments (CICA) under the FY 2021 GAA amounting to P9 Million to cover additional assistance to indigent patients.

b/ The variance in PS refers to overprovision of the following PS items, as shown below:

I. Overprovision of the items enumerated below:

RATA	P	120,000	} Excess in the rates pursuant to Section 56 of the General Provisions of the FY 2021 GAA } Overprovision, based on the prescribed rates x number of authorized positions
Hazard Pay		10,829,000	
Employee Compensation Insurance		76,000	
PAG-IBIG Contributions		76,000	
Philhealth Contributions		2,022,000	
Total	P	13,123,000	

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.

c/ MOOE level was computed considering actual/audited expenses for previous years and the effects of inflation, details of variance as follows:

Repair & Maintenance of Gov't. Facilities	P	5,870,000
Repair & Maintenance of Gov't. Vehicles		276,000
Gasoline, Oil & Lubricants		1,461,000
Extraordinary & Miscellaneous Expenses (EME)		72,000
Fidelity Bonds and Insurance Premium		5,316,000
Other Services(Bldg. & Eng'g Maintenance Srvcs)		636,000
TOTAL	P	13,631,000

d/ The recommended CO level is as follows:

Buildings and Structures Outlay	P	211,392,000
Machinery and Equipment Outlay		557,652,000
Furniture and Fixtures and Books Outlay		28,959,000
	P	798,003,000

e/ The variance in CO amounting to P5 Million pertains to the purchase of a 29-seater coaster that is deferred for the meantime.

Notwithstanding the above-indicated variances in PS, MOOE and CO, the NKT has the flexibility to modify the DBM-approved budget level, for items funded out of corporate funds. In the case of those funded out of NG budgetary support, Section 72 of General Provisions of RA No. 11518 on the rules on the modification in allotment shall apply.

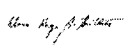
CORPORATE OPERATING BUDGET
Fiscal Year 2021

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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 NG 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. 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 RA 10149. Such expenditures shall be subject to relevant conditions under the GP of the annual 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 may be.
4. Disbursements for extraordinary and miscellaneous expenses 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 (e.g., Department of Information and Communications Technology for procurement of information and communication technology equipment covered by the GOCC's Information System Strategic Plan shall be secured prior to the acquisition thereof.
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 292.

Recommending Approval:


Digitally signed by
Elena Regina S.
Brillantes
ELENA REGINA S. BRILLANTES
OIC-Director, BMB-C

Approved:


TINA ROSE MARIE L. CANDA
Officer-in-Charge, DBM



Date:

COB No. C3-21-0017

cc: The Chairman
Board of Trustees, NKTI

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

The Resident Auditor
COA - NKTI