



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

**CORPORATE OPERATING BUDGET**

Fiscal Year 2018

**TO: HOME GUARANTY CORPORATION (HGC)**

Your Corporate Operating Budget (COB) for Fiscal Year 2018 per approved Board Resolution No. 18-2018 dated March 27, 2018, 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 **THREE BILLION THREE HUNDRED SEVENTY TWO MILLION FIVE HUNDRED EIGHTY THOUSAND PESOS ONLY (P3,372,580,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
<b>TOTAL SOURCES:</b>	<b>P 3,388,060,000</b>	<b>P 3,388,060,000</b>	<b>P -</b>
National Government (NG) Equity	500,000,000	500,000,000	
Corporate Funds	2,888,060,000	2,888,060,000	-
<b>TOTAL USES:</b>	<b>P 3,388,060,000</b>	<b>P 3,372,580,000</b>	<b>P (15,480,000)</b>
Personnel Services (PS)	164,777,000	a/ 152,116,000	(12,661,000) b/
Maintenance and Other Operating Expenses (MOOE)	2,042,719,000	2,039,900,000	(2,819,000)
Operating Expenses	1,694,991,000	c/ 1,692,172,000	(2,819,000) d/
Dividend Payment to NG	277,844,000	277,844,000	-
Abot-Kaya Pabahay Fund	69,884,000	69,884,000	-
Capital Outlays (CO)	1,180,564,000	e/ 1,180,564,000	-
<b>Excess/Shortfall</b>	<b>P -</b>	<b>P 15,480,000</b>	<b>P 15,480,000</b>

**Footnotes:**

a/ Inclusive of P2,030,000 realigned from MOOE (Council/Board Member's Benefits) for Per Diem of Members of the Board of Directors and Performance-Based Incentives (PBI).

b/ The PS variance refers to overprovision of the hereunder items:

Basic Salary	P 6,977,000	Excess provision for 112 filled positions as of July, 3 positions separated from service before July and 8 positions to be filled up from August to December 2018
Personnel Economic Relief Allowance	250,000	
Uniform/ Clothing Allowance	73,000	
Productivity Enhancement Incentive	36,000	
Year-End Bonus	807,000	
Retirement & Life Insurance Premium	837,000	
Employees Compensation Insurance Premium	13,000	
Pag-IBIG Contributions	13,000	20% of basic salaries of 112 filled positions as of July
Provident Fund	1,939,000	
Cash Gift	60,000	Rates pursuant to Budget Circular (BC) No. 2016-4 dated April 28, 2016
Mid-Year Bonus	730,000	Based on actual payout
Representation and Transportation Allowances	516,000	Computed in accordance with Section 55 of Republic Act (RA) No. 10964, FY 2018 General Appropriations Act (GAA)
PhilHealth Contributions	410,000	Rates pursuant to Circular Letter No. 2018-3 dated January 16, 2018
<b>TOTAL</b>	<b>P 12,661,000</b>	

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Out of the recommended level for PS, P13,877,000 shall be used exclusively for the payment of Terminal Leave Benefits and Monetization of Leave Credits.

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 Governance Commission for Government and/or Controlled Corporations (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 a uniform percentage across all positions of the GOCC.

c/ Excludes P2,030,000 realigned to PS for Per Diem of Members of the Board of Directors and PBI.

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

<b>Particulars</b>		<b>Amount</b>
Training and Seminar Expenses	P	390,000
Extraordinary and Miscellaneous Expenses (EME)		1,562,000
Printing, Binding & Reproduction Expenses		867,000
<b>TOTAL</b>	<b>P</b>	<b>2,819,000</b>

Out of the recommended level for MOOE, P1,302,782,000 shall be used exclusively for the payment of Final Tax and Corporate Income Tax.

e/ The proposed CO level is broken down as follows:

<b>Particulars</b>		<b>Amount</b>
Investments Outlay	P	618,083,000
Buildings and Structures Outlay		529,550,000
Office Equipment, Furniture & Fixtures		14,538,000
Information Technology Equipment		18,393,000
<b>TOTAL</b>	<b>P</b>	<b>1,180,564,000</b>

This includes the procurement of IT systems, software, equipment in the total amount of P18,393,000 which shall be covered by the Corporation's Information Systems Strategic Plan (ISSP) subject to the approval by the Department of Information and Communications Technology - Medium-Term Information and Communications Technology Harmonization Initiative (DICT-MITHI).

Notwithstanding the above-indicated variances in PS and MOOE, the HGC has the flexibility to modify its utilization within the DBM-approved budget level for each allotment class for items funded out of corporate funds. In case of those funded out of NG budgetary support, Section 72 of the General Provisions of RA No. 10964 on the rules on the modification in the allotment shall apply.

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.



**TO: HOME GUARANTY CORPORATION (HGC)**

3. This approval shall not be construed as an authorization for specific expenditure items under PS which requires prior approval by the OP. Disbursement 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. 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 No. 10149. Such expenditures shall be subject to relevant conditions under the General Provisions 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 EME and other MOOE expenditures shall be subject to the relevant provisions of the annual GAA, among others. The utilization of the Confidential and Intelligence Fund (CIF) shall be covered by a prior approval by the President of the Philippines before disbursement consistent with the provisions of Joint Circular No. 2015-1 dated January 8, 2015.
5. Equipment outlays included in the Annual Procurement Program that require specific clearance/approval from the agencies concerned (e.g., DICT-MITHI) for information technology equipment and OP/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, BC No. 2017-1 (amending BC No. 2016-5) dated April 26, 2017, and Administrative Order (AO) No. 15 (amending AO No. 233, s. 2008), dated May 25, 2011, OP 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 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

Date: 11/12/2018

**NOV 16 2018**

Approved:

By Authority of the Secretary

  
**TINA ROSE MARIE L. CANDA**  
Undersecretary

COB No. C2-18-0062

cc: The Chairman  
Board of Directors, HGC

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

The Resident Auditor  
COA, HGC

Department of Budget and Management  
BTS



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