G. ARMED FORCES OF THE PHILIPPINES

G.1 PHILIPPINE ARMY (LAND FORCES)

For general administration and support, and operations, including locally-funded project(s), as indicated hereunder...P 92,508,006,000

New Appropriations, by Program

<table>
<thead>
<tr>
<th>PROGRAMS</th>
<th>Current Operating Expenditures</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Maintenance and Other Personnel Services</td>
<td>Operating Expenses</td>
<td>Capital Outlays</td>
</tr>
<tr>
<td>General Administration and Support</td>
<td>P 5,814,084,000</td>
<td>P 1,103,691,000</td>
<td></td>
<td>P 6,917,775,000</td>
</tr>
<tr>
<td>Operations</td>
<td>71,046,008,000</td>
<td>12,834,456,000</td>
<td>1,709,767,000</td>
<td>85,590,231,000</td>
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<tr>
<td><strong>LAND FORCES DEFENSE PROGRAM</strong></td>
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<tr>
<td><strong>TOTAL NEW APPROPRIATIONS</strong></td>
<td>P 76,860,092,000</td>
<td>P 13,938,147,000</td>
<td>P 1,709,767,000</td>
<td>P 92,508,006,000</td>
</tr>
</tbody>
</table>

Special Provision(s)

1. Hospital Income. In addition to the amounts appropriated herein, all income generated from the operations of the Fort Bonifacio General Hospital shall be deposited in an authorized government depository bank and used to augment the hospital’s MOOE and Capital Outlay requirements, subject to the following conditions: (i) at least twenty-five percent (25%) of said income shall be utilized to purchase and upgrade hospital equipment used directly in the delivery of health services; and (ii) income sourced from PhilHealth reimbursements from availment of medical services shall be used exclusively by said hospitals for the improvement of its facilities, and the replenishment of drugs, medicines and vaccines, including medical and dental supplies used in government health care facilities.

In no case shall said amount be used for the payment of salaries, allowances and other benefits.

Disbursements or expenditures by the hospital in violation of the above requirements shall be void and shall subject the erring officials and employees to disciplinary actions in accordance with Section 43, Chapter 5 and Section 80, Chapter 7, Book VI of E.O. No. 292, s. 1987, and to appropriate criminal action under existing penal laws.

The Philippine Army shall prepare and submit to the DBM not later than November 15 of the preceding year, the annual operating budget for the current year covering said income and the corresponding expenditures. Likewise, it shall submit to the DBM not later than March 1 of the current year its audited financial statement for the immediately preceding year. The Commanding General of the Philippine Army and the Agency’s web administrator or his/her equivalent shall be responsible for ensuring that the foregoing documents are likewise posted on the Philippine Army website.

2. Trust Receipts from the Use of Equipment and Facilities. Fees and charges from the use of equipment and facilities collected by the Philippine Army shall be used to augment its operating requirements in accordance with Section 1 of E.O. No. 1002, s. 1985. Said amount shall be deposited with the National Treasury and recorded as trust receipts in accordance with E.O. No. 338, s. 1996.

3. Compensation and Separation Benefits of the Citizen Armed Forces Geographical Units. The amount of Three Billion Eight Hundred Twenty Nine Million One Hundred Six Thousand Pesos (P3,829,106,000) shall be used for the payment of compensation of Citizen Armed Forces Geographical Unit (CAFGU) members and separation benefits, not exceeding one (1) year subsistence allowance in accordance with the IRR of E.O. No. 264, s. 1987 and DND Circular No. 4 dated October 27, 2005.

4. Combat Expenses. An amount not exceeding One Hundred Thousand Pesos (P100,000) per quarter for each company of the Philippine Army may be utilized by its tactical units for incidental and necessary expenses during operational exigencies. Such amount, chargeable against MOOE for combat expenses, shall be treated as cash advance subject to disbursement and liquidation in accordance with COA Circular Nos. 97-002 and 2004-006 dated February 10, 1997 and September 9, 2004, respectively.

5. Restriction on Armed Forces of the Philippines Expenditures. No amount appropriated herein shall be used to fund expenditures of military personnel in excess of those authorized and required based on the actual troop strength of the Philippine Army.

6. Rice Subsidy. The amount of Seven Hundred Ninety Eight Million Two Hundred Sixty Thousand Pesos (P798,260,000) appropriated herein shall be used for the provision of rice subsidy, equivalent to twenty (20) kilos of rice a month in the form of financial...
assistance to the military personnel of the Philippine Army.

7. Restriction on Use of Funds Allotted for Petroleum, Oil and Lubricants. The amounts appropriated herein for the purchase or acquisition of petroleum, oil and lubricants for the Philippine Army shall be used exclusively for said purposes.

8. Reimbursement of Expenses Incurred in Anti-smuggling and Economic Subversion Operations. Expenses incurred by the Philippine Army in anti-smuggling, economic subversion or similar operations may be reimbursed out of the proceeds from the sale of items seized or confiscated by the Philippine Army upon recommendation of the Secretary of National Defense and approval by the President of the Philippines, subject to the submission of a Special Budget pursuant to Section 35, Chapter 5, Book VI of E.O. No. 292 and budgeting, accounting and auditing rules and regulations.

9. Reporting and Posting Requirements. The Philippine Army shall submit quarterly reports on its financial and physical accomplishments, within thirty (30) days after the end of every quarter, through the following:
   (a) Unified Reporting System (URS) or other electronic means for reports not covered by the URS; and
   (b) Philippine Army's website.

The Philippine Army shall send written notice when said reports have been submitted or posted on its website to the DBM, House of Representatives, Senate of the Philippines, House Committee on Appropriations, Senate Committee on Finance, and other offices where the submission of reports is required under existing laws, rules and regulations. The date of notice to said agencies shall be considered the date of compliance with this requirement.

10. Appropriations for Activities or Projects. The amounts appropriated herein shall be used specifically for the following activities or projects in the indicated amounts and conditions:

New Appropriations, by Programs/Activities/Projects (Cash-Based)

<table>
<thead>
<tr>
<th>PROGRAMS</th>
<th>Personnel Services</th>
<th>Maintenance and Other Operating Expenses</th>
<th>Capital Outlays</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>10000000000000</td>
<td>General Administration and Support</td>
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<tr>
<td>10000010000100</td>
<td>General management and supervision</td>
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<td>P 1,103,691,000</td>
<td>P 5,797,923,000</td>
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<td>10000010000200</td>
<td>Administration of Personnel Benefits</td>
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<td>Sub-total, General Administration and Support</td>
<td>5,814,084,000</td>
<td>1,103,691,000</td>
<td></td>
<td>6,917,775,000</td>
</tr>
<tr>
<td>30000000000000</td>
<td>Operations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>31000000000000</td>
<td>OO: Level of mission capability of army units in ground operations attained</td>
<td>71,046,000,000</td>
<td>12,834,456,000</td>
<td>1,709,767,000</td>
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<tr>
<td>31010000000000</td>
<td>LAND FORCES DEFENSE PROGRAM</td>
<td>71,046,000,000</td>
<td>12,834,456,000</td>
<td>1,709,767,000</td>
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<tr>
<td>31010000000100</td>
<td>Force-Level Support Services</td>
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<td>31010000000200</td>
<td>Force Development</td>
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<tr>
<td>31010000000300</td>
<td>Force Sustainment</td>
<td>67,983,329,000</td>
<td>11,032,881,000</td>
<td>1,590,017,000</td>
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<tr>
<td>Project(s)</td>
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<tr>
<td>Locally-Funded Project(s)</td>
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<td>75,000,000</td>
<td>75,000,000</td>
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<tr>
<td>31010003000000</td>
<td>Army Simulation Training Center, Camp O' Donnell, Capas, Tarlac (Phase 2)</td>
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<td></td>
<td>75,000,000</td>
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<tr>
<td>Sub-total, Operations</td>
<td>71,046,000,000</td>
<td>12,834,456,000</td>
<td>1,709,767,000</td>
<td>85,590,231,000</td>
</tr>
</tbody>
</table>
### New Appropriations, by Object of Expenditures

(In Thousand Pesos)

#### Current Operating Expenditures

**Personnel Services**

#### Civilian Personnel

<table>
<thead>
<tr>
<th>Position</th>
<th>Basic Salary</th>
<th>Total Permanent Positions</th>
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</thead>
<tbody>
<tr>
<td>Personnel Services</td>
<td>315,616</td>
<td>315,616</td>
</tr>
</tbody>
</table>

#### Other Compensation Common to All

- **Personnel Economic Relief Allowance**: 31,584
- **Representation Allowance**: 120
- **Transportation Allowance**: 120
- **Clothing and Uniform Allowance**: 7,896
- **Honoraria**: 106
- **Mid-Year Bonus - Civilian**: 26,301
- **Year End Bonus**: 26,301
- **Cash Gift**: 6,580
- **Productivity Enhancement Incentive**: 6,580
- **Step Increment**: 789
- **Personnel Economic Relief Allowance**: 2,426,520
- **Clothing/ Uniform Allowance**: 999,443
- **Subsistence Allowance**: 9,364,604
- **Laundry Allowance**: 39,325
- **Quarters Allowance**: 515,448
- **Longevity Pay**: 8,453,772
- **Mid-Year Bonus - Military/Uniformed Personnel**: 3,294,077
- **Year-end Bonus**: 3,294,077
- **Cash Gift**: 505,525
- **Productivity Enhancement Incentive**: 505,525

**Total Other Compensation Common to All**: 29,594,693

#### Other Compensation for Specific Groups

- **Magna Carta for Public Health Workers**: 34,767
- **Longevity Pay**: 4,896
- **Hazardous Duty Pay**: 270,094
- **Flying Pay**: 30,038
- **Hazard Duty Pay**: 655,161
- **Combat Duty Pay**: 2,981,412
- **Instructor’s Duty Pay**: 323,933
- **Reservist’s Pay**: 382,241
- **Medal of Valor Award**: 20,700
- **Parachutist Pay**: 310,901
- **Lump-sum for Filling of Positions - Military/Uniformed Personnel (MUP)**: 598,768

**Total Other Compensation for Specific Groups**: 5,612,911

#### Other Benefits

- **PAG-IBIG Contributions**: 1,579
- **PhilHealth Contributions**: 4,223
- **Employees Compensation Insurance Premiums**: 1,579
- **Terminal Leave**: 8,228
<table>
<thead>
<tr>
<th>Expense Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Intelligence Expenses</td>
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<tr>
<td>Confidential, Intelligence and Extraordinary Expenses</td>
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</tr>
<tr>
<td>Demolition/Relocation and Desilting/Dredging Expenses</td>
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<tr>
<td>Survey, Research, Exploration and Development Expenses</td>
<td>5,233</td>
</tr>
<tr>
<td>Awards/Rewards and Prizes</td>
<td>1,277</td>
</tr>
<tr>
<td>Communication Expenses</td>
<td>129,794</td>
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<tr>
<td>Utility Expenses</td>
<td>577,315</td>
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<tr>
<td>Supplies and Materials Expenses</td>
<td>7,140,869</td>
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<tr>
<td>Training and Scholarship Expenses</td>
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<tr>
<td>Travelling Expenses</td>
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<tr>
<td>Maintenance and Other Operating Expenses</td>
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<tr>
<td>Total Personnel Services</td>
<td>76,860,092</td>
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<tr>
<td>Military/Uniformed Personnel</td>
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<tr>
<td>Basic Pay</td>
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<tr>
<td>Total Basic Pay</td>
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<tr>
<td>Other Compensation for Specific Groups</td>
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<tr>
<td>Personnel Economic Relief Allowance</td>
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<tr>
<td>Clothing/ Uniform Allowance</td>
<td>999,443</td>
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<td>Subsistence Allowance</td>
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<td>Laundry Allowance</td>
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<tr>
<td>Productivity Enhancement Incentive</td>
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<td>Total Other Compensation for Specific Groups</td>
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<tr>
<td>Other Benefits</td>
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<td>Lump-sum for Filling of Positions - Military/Uniformed Personnel (MUP)</td>
<td>598,768</td>
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<tr>
<td>Total Other Compensation for Specific Groups</td>
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<tr>
<td>Other Benefits</td>
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<tr>
<td>Special Group Term Insurance</td>
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<tr>
<td>PAG-IBIG Contributions</td>
<td>121,327</td>
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<tr>
<td>PhilHealth Contributions</td>
<td>520,789</td>
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<tr>
<td>Employees Compensation Insurance Premium</td>
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<td>Terminal Leave</td>
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<td>Total Other Benefits</td>
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<td>Total Personnel Services</td>
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</tr>
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</table>
### Professional Services:
- General Services: 7,726
- Repairs and Maintenance: 2,466,688
- Financial Assistance/Subsidy: 1,651,096
- Taxes, Insurance Premiums and Other Fees: 57,099
- Labor and Wages: 63,271
- Other Maintenance and Operating Expenses:
  - Advertising Expenses: 1,595
  - Printing and Publication Expenses: 17,419
  - Representation Expenses: 447,513
  - Transportation and Delivery Expenses: 76,503
  - Rent/Lease Expenses: 22,959
  - Membership Dues and Contributions to Organizations: 225
  - Subscription Expenses: 17,572
  - Other Maintenance and Operating Expenses: 29,291

**Total Maintenance and Other Operating Expenses:** 13,938,147

**TOTAL CURRENT OPERATING EXPENDITURES:** 90,798,239

### Capital Outlays:
- Property, Plant and Equipment Outlay:
  - Infrastructure Outlay: 6,198
  - Buildings and Other Structures: 378,717
  - Machinery and Equipment Outlay: 655,752
  - Transportation Equipment Outlay: 669,100

**Total Capital Outlays:** 1,709,767

**TOTAL NEW APPROPRIATIONS:** 92,508,006