

G. ARMED FORCES OF THE PHILIPPINES

G.1. PHILIPPINE ARMY (LAND FORCES)

For general administration and support, and operations, as indicated hereunder P 103,096,390,000

New Appropriations, by Program

	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
PROGRAMS				
General Administration and Support	P 6,523,319,000	P 1,132,667,000	P	P 7,655,986,000
Operations	<u>77,867,754,000</u>	<u>15,485,571,000</u>	<u>2,087,079,000</u>	<u>95,440,404,000</u>
LAND FORCES DEFENSE PROGRAM	<u>77,867,754,000</u>	<u>15,485,571,000</u>	<u>2,087,079,000</u>	<u>95,440,404,000</u>
TOTAL NEW APPROPRIATIONS	P <u><u>84,391,073,000</u></u>	P <u><u>16,618,238,000</u></u>	P <u><u>2,087,079,000</u></u>	P <u><u>103,096,390,000</u></u>

Special Provision(s)

1. **Hospital Income and Other Revenues from Golf Course Operations.** 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.

Likewise, all revenues derived from the Philippine Army Golf Club membership dues, green fees, concession fees, and such other income from business-related operations of the golf course shall be deposited in an authorized government depository bank and shall be used to cover the expenses incurred in its operations. Any excess income from the operations of the golf course may be used to augment the MOOE and Capital Outlay requirements of PA Hospital and other PA treatment facilities subject to the guidelines to be issued by the DBM and the DND.

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's 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 Two Hundred Thousand Pesos (P200,000) 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 Eight Hundred Twenty Three Million One Hundred Eighty One Thousand Pesos (P823,181,000) 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 submission of the quarterly reports on its financial and physical accomplishments shall be in accordance with Section 99 of the General Provisions of this Act.

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

	Current Operating Expenditures			
	Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
PROGRAMS				
General Administration and Support				
General management and supervision	P 4,478,653,000	P 1,132,667,000	P	P 5,611,320,000
Administration of Personnel Benefits	2,044,666,000			2,044,666,000
Sub-total, General Administration and Support	6,523,319,000	1,132,667,000		7,655,986,000
Operations				
Level of mission capability of army units in ground operations attained	77,867,754,000	15,485,571,000	2,087,079,000	95,440,404,000
LAND FORCES DEFENSE PROGRAM	77,867,754,000	15,485,571,000	2,087,079,000	95,440,404,000
Force-Level Support Services	5,402,290,000	647,360,000	40,808,000	6,090,458,000
Force Development		1,168,246,000		1,168,246,000
Force Sustainment	72,465,464,000	13,669,965,000	2,046,271,000	88,181,700,000
Sub-total, Operations	77,867,754,000	15,485,571,000	2,087,079,000	95,440,404,000
TOTAL NEW APPROPRIATIONS	P 84,391,073,000	P 16,618,238,000	P 2,087,079,000	P 103,096,390,000

New Appropriations, by Object of Expenditures

(In Thousand Pesos)

Current Operating Expenditures

Personnel Services

Civilian Personnel

Permanent Positions

Basic Salary

389,760

Total Permanent Positions	<u>389,760</u>
Other Compensation Common to All	
Personnel Economic Relief Allowance	32,520
Representation Allowance	300
Transportation Allowance	300
Clothing and Uniform Allowance	8,130
Honoraria	106
Mid-Year Bonus - Civilian	32,480
Year End Bonus	32,480
Cash Gift	6,775
Productivity Enhancement Incentive	6,775
Step Increment	<u>974</u>
Total Other Compensation Common to All	<u>120,840</u>
Other Compensation for Specific Groups	
Magna Carta for Public Health Workers	34,767
Longevity Pay	4,896
Lump-sum for filling of Positions-Civilian	25,260
Anniversary Bonus - Civilian	<u>3,984</u>
Total Other Compensation for Specific Groups	<u>68,907</u>
Other Benefits	
PAG-IBIG Contributions	1,626
PhilHealth Contributions	6,792
Employees Compensation Insurance Premiums	1,626
Terminal Leave	<u>7,843</u>
Total Other Benefits	<u>17,887</u>
Military/Uniformed Personnel	
Basic Pay	
Base Pay	<u>42,258,488</u>
Total Basic Pay	<u>42,258,488</u>
Other Compensation Common to All	
Personnel Economic Relief Allowance	2,518,920
Clothing/ Uniform Allowance	1,132,132
Subsistence Allowance	9,575,393
Laundry Allowance	41,982
Quarters Allowance	548,540
Longevity Pay	9,871,172
Mid-Year Bonus - Military/Uniformed Personnel	3,521,541
Year-end Bonus	3,521,541
Cash Gift	524,775
Productivity Enhancement Incentive	<u>524,775</u>
Total Other Compensation Common to All	<u>31,780,771</u>

Other Compensation for Specific Groups

Hazardous Duty Pay	1,640,685
Flying Pay	30,038
Hazard Duty Pay	680,108
Combat Duty Pay	3,043,008
Instructor's Duty Pay	323,933
Reservist's Pay	382,241
Medal of Valor Award	20,700
Parachutist Pay	310,901
Anniversary Bonus-Military/ Uniformed Personnel	314,865

Total Other Compensation for Specific Groups	6,746,479
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Other Benefits

Special Group Term Insurance	7,557
PAG-IBIG Contributions	125,946
PhilHealth Contributions	736,929
Employees Compensation Insurance Premiums	125,946
Terminal Leave	2,011,563

Total Other Benefits	3,007,941
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Total Personnel Services	84,391,073
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Maintenance and Other Operating Expenses

Travelling Expenses	342,223
Training and Scholarship Expenses	387,842
Supplies and Materials Expenses	8,713,123
Utility Expenses	594,660
Communication Expenses	134,025
Awards/Rewards and Prizes	1,277
Survey, Research, Exploration and Development Expenses	5,233
Demolition/Relocation and Desilting/Dredging Expenses	1,053
Confidential, Intelligence and Extraordinary Expenses	
Intelligence Expenses	444,000
Professional Services	91,103
General Services	7,726
Repairs and Maintenance	2,638,204
Financial Assistance/Subsidy	2,501,693
Taxes, Insurance Premiums and Other Fees	60,386
Labor and Wages	63,271
Other Maintenance and Operating Expenses	
Advertising Expenses	1,643
Printing and Publication Expenses	17,942
Representation Expenses	464,437
Transportation and Delivery Expenses	78,797
Rent/Lease Expenses	22,959
Membership Dues and Contributions to Organizations	225
Subscription Expenses	17,572
Other Maintenance and Operating Expenses	28,844

Total Maintenance and Other Operating Expenses	16,618,238
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Total Current Operating Expenditures	101,009,311
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Capital Outlays**Property, Plant and Equipment Outlay****Infrastructure Outlay****51,280****Buildings and Other Structures****782,053****Machinery and Equipment Outlay****844,246****Transportation Equipment Outlay****409,500****Total Capital Outlays****2,087,079****TOTAL NEW APPROPRIATIONS****103,096,390**