

G.3. PHILIPPINE NAVY (NAVAL FORCES)

For general administration and support, and operations, as indicated hereunder P 51,034,628,000

New Appropriations, by Programs/Projects

	Current Operating Expenditures			
	Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
A. REGULAR PROGRAMS				
General Administration and Support	P 4,073,689,000	P 539,931,000	P	P 4,613,620,000
Operations	21,282,373,000	17,322,465,000	7,816,170,000	46,421,008,000
NAVAL FORCES DEFENSE PROGRAM	21,282,373,000	17,322,465,000	7,816,170,000	46,421,008,000
TOTAL NEW APPROPRIATIONS	P 25,356,062,000	P 17,862,396,000	P 7,816,170,000	P 51,034,628,000

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 Philippine Navy hospitals 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 Navy 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 operations of the golf course may be used to augment the MOOE and Capital Outlay requirements of Philippine Navy hospitals and other Philippine Navy treatment facilities, subject to the guidelines 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 Navy 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 statements for the immediately preceding year. The Flag-Officer-In-Command of the Philippine Navy 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 Navy'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 Navy 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. **Combat Expenses.** An amount not exceeding Two Hundred Thousand Pesos (P200,000) per quarter for each company or its equivalent in the Philippine Navy 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.

4. **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 Navy.

5. **Rice Subsidy.** The amount of Two Hundred Twelve Million Seven Hundred Six Thousand Pesos (P212,706,000) 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 Navy.

6. **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 Navy shall be used exclusively for said purposes.

7. **Reimbursement of Expenses Incurred in Anti-Smuggling and Economic Subversion Operations.** Expenses incurred by the Philippine Navy 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 Navy upon recommendation of the Secretary of National Defense and approval by the President of the Philippines, subject to the submission of a Special Budget Request, and other relevant budgetary requirements in accordance with applicable laws, rules, and regulations.

8. Reporting and Posting Requirements. The Philippine Navy shall submit quarterly reports on its financial and physical accomplishments, within thirty (30) days after the end of every quarter, through the following:

- (a) URS or other electronic means for reports not covered by the URS; and
- (b) Philippine Navy's website.

The Philippine Navy 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.

9. 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			Total
	Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	
REGULAR PROGRAMS				
General Administration and Support				
General Management and Supervision	P 2,418,561,000	P 539,931,000	P	P 2,958,492,000
National Capital Region (NCR)	2,418,561,000	539,931,000		2,958,492,000
Philippine Navy	2,418,561,000	539,931,000		2,958,492,000
Administration of Personnel Benefits	1,655,128,000			1,655,128,000
National Capital Region (NCR)	1,655,128,000			1,655,128,000
Philippine Marine Corps	62,421,000			62,421,000
Philippine Navy	1,592,707,000			1,592,707,000
Sub-total, General Administration and Support	4,073,689,000	539,931,000		4,613,620,000
Operations				
NAVAL FORCES DEFENSE PROGRAM	21,282,373,000	17,322,465,000	7,816,170,000	46,421,008,000
Force-Level Support Services	7,135,287,000	5,336,434,000	3,813,853,000	16,285,574,000
National Capital Region (NCR)	7,135,287,000	5,336,434,000	3,813,853,000	16,285,574,000
Philippine Navy	7,135,287,000	5,336,434,000	3,813,853,000	16,285,574,000
Force Development	13,412,129,000	10,094,135,000	3,842,445,000	27,348,709,000
National Capital Region (NCR)	13,412,129,000	10,094,135,000	3,842,445,000	27,348,709,000
Philippine Marine Corps	8,245,585,000	2,083,110,000	2,290,129,000	12,618,824,000
Philippine Navy	5,166,544,000	8,011,025,000	1,552,316,000	14,729,885,000

Force Sustainment	<u>734,957,000</u>	<u>1,891,896,000</u>	<u>159,872,000</u>	<u>2,786,725,000</u>
National Capital Region (NCR)	<u>734,957,000</u>	<u>1,891,896,000</u>	<u>159,872,000</u>	<u>2,786,725,000</u>
Philippine Navy	<u>734,957,000</u>	<u>1,891,896,000</u>	<u>159,872,000</u>	<u>2,786,725,000</u>
Sub-total, Operations	<u>21,282,373,000</u>	<u>17,322,465,000</u>	<u>7,816,170,000</u>	<u>46,421,008,000</u>
TOTAL NEW APPROPRIATIONS	P <u>25,356,062,000</u>	P <u>17,862,396,000</u>	P <u>7,816,170,000</u>	P <u>51,034,628,000</u>

New Appropriations, by Object of Expenditures
(In Thousand Pesos)

Current Operating Expenditures

Personnel Services

Civilian Personnel

Permanent Positions

Basic Salary 351,097

Total Permanent Positions 351,097

Other Compensation Common to All

Personnel Economic Relief Allowance 27,432

Representation Allowance 288

Transportation Allowance 288

Clothing and Uniform Allowance 8,001

Mid-Year Bonus - Civilian 29,258

Year End Bonus 29,258

Cash Gift 5,715

Productivity Enhancement Incentive 5,715

Step Increment 878

Total Other Compensation Common to All 106,833

Other Compensation for Specific Groups

Magna Carta for Public Health Workers 18,263

Longevity Pay 4,229

Lump-sum for Filling of Positions - Civilian 9,829

Total Other Compensation for Specific Groups 32,321

Other Benefits

PAG-IBIG Contributions 2,743

PhilHealth Contributions 8,778

Employees Compensation Insurance Premiums 1,371

Loyalty Award - Civilian 2,890

Terminal Leave 6,584

Total Other Benefits 22,366

Military/Uniformed Personnel**Basic Pay**

Base Pay	10,968,741
Creation of New Positions	718,615
Total Basic Pay	11,687,356

Other Compensation Common to All

Personnel Economic Relief Allowance	640,320
Clothing/Uniform Allowance	280,772
Subsistence Allowance	3,415,769
Laundry Allowance	15,796
Quarters Allowance	141,718
Longevity Pay	2,657,275
Mid-Year Bonus - Military/Uniformed Personnel	914,064
Year-End Bonus	914,064
Cash Gift	133,400
Productivity Enhancement Incentive	133,400
Total Other Compensation Common to All	9,246,578

Other Compensation for Specific Groups

Hazardous Duty Pay	711,801
Flying Pay	157,368
Overseas Allowance	15,964
Sea Duty Pay	633,725
Hazard Duty Pay	176,709
Hardship Allowance	302,041
Combat Duty Pay	408,708
Instructor's Duty Pay	107,299
Reservist's Pay	52,287
Medal of Valor Award	12,000
Specialist's Pay	305
Parachutist Pay	38,979
Lump-sum for Filling of Positions - Military/Uniformed Personnel (MUP)	714,247
Total Other Compensation for Specific Groups	3,331,433

Other Benefits

Special Group Term Insurance	1,921
PAG-IBIG Contributions	64,033
PhilHealth Contributions	274,255
Employees Compensation Insurance Premiums	32,016
Terminal Leave	205,853
Total Other Benefits	578,078

Total Personnel Services	25,356,062
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Maintenance and Other Operating Expenses

Travelling Expenses	294,990
Training and Scholarship Expenses	411,298

Supplies and Materials Expenses	8,338,366
Utility Expenses	923,559
Communication Expenses	289,403
Awards/Rewards and Prizes	2,691
Survey, Research, Exploration and Development Expenses	895
Confidential, Intelligence and Extraordinary Expenses	
Intelligence Expenses	39,749
Professional Services	59,853
General Services	382,937
Repairs and Maintenance	4,531,724
Financial Assistance/Subsidy	229,986
Taxes, Insurance Premiums and Other Fees	77,994
Other Maintenance and Operating Expenses	
Advertising Expenses	144
Printing and Publication Expenses	17,248
Representation Expenses	494,048
Transportation and Delivery Expenses	1,576
Rent/Lease Expenses	1,033,075
Subscription Expenses	139,994
Other Maintenance and Operating Expenses	592,866
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Total Maintenance and Other Operating Expenses	17,862,396
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Total Current Operating Expenditures	43,218,458
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Capital Outlays	
Property, Plant and Equipment Outlay	
Land Improvements Outlay	75,677
Infrastructure Outlay	688,632
Buildings and Other Structures	743,848
Machinery and Equipment Outlay	5,332,638
Transportation Equipment Outlay	974,846
Furniture, Fixtures and Books Outlay	529
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Total Capital Outlays	7,816,170
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TOTAL NEW APPROPRIATIONS	51,034,628
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