

XI. DEPARTMENT OF FINANCE

A. OFFICE OF THE SECRETARY

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>(Cash-Based)</u>		
	<u>2019</u>	<u>2020</u>	<u>2021</u>
New General Appropriations	<u>843,339</u>	<u>836,607</u>	<u>832,641</u>
General Fund	843,339	836,607	832,641
Automatic Appropriations	<u>331,288</u>	<u>35,379</u>	<u>38,412</u>
Grant Proceeds	296,709		
Retirement and Life Insurance Premiums	34,579	35,379	38,412
Continuing Appropriations	<u>78,189</u>	<u>112,695</u>	
Unreleased Appropriation for Personnel Services			
R.A. No. 11260		141	
Unobligated Releases for Capital Outlays			
R.A. No. 11260		8,213	
R.A. No. 10964	19,853		
Unobligated Releases for MOOE			
R.A. No. 11260		103,034	
R.A. No. 10964	58,336		
Unobligated Releases for PS			
R.A. No. 11260		1,307	
Budgetary Adjustment(s)	<u>32,375</u>		
Transfer(s) from:			
Miscellaneous Personnel Benefits Fund	28,216		
Pension and Gratuity Fund	4,159		
Total Available Appropriations	<u>1,285,191</u>	<u>984,681</u>	<u>871,053</u>
Unused Appropriations	<u>(372,041)</u>	<u>(112,695)</u>	
Unreleased Appropriation	(141)	(141)	
Unobligated Allotment	<u>(371,900)</u>	<u>(112,554)</u>	
TOTAL OBLIGATIONS	<u>913,150</u>	<u>871,986</u>	<u>871,053</u>

**EXPENDITURE PROGRAM
(in pesos)**

GAS / STO / OPERATIONS / PROJECTS	(Cash-Based)		
	2019 Actual	2020 Current	2021 Proposed
General Administration and Support	337,458,000	348,534,000	353,469,000
Regular	337,458,000	348,534,000	353,469,000
PS	180,038,000	154,201,000	167,545,000
MOOE	157,420,000	194,333,000	185,924,000
Support to Operations	167,477,000	158,983,000	153,514,000
Regular	167,477,000	158,983,000	153,514,000
PS	65,955,000	68,820,000	72,081,000
MOOE	63,414,000	57,788,000	59,068,000
CO	38,108,000	32,375,000	22,365,000
Operations	408,215,000	364,469,000	364,070,000
Regular	408,215,000	361,951,000	364,070,000
PS	214,211,000	225,507,000	243,877,000
MOOE	194,004,000	136,444,000	120,193,000
Projects / Purpose		2,518,000	
MOOE		2,518,000	
TOTAL AGENCY BUDGET	913,150,000	871,986,000	871,053,000
Regular	913,150,000	869,468,000	871,053,000
PS	460,204,000	448,528,000	483,503,000
MOOE	414,838,000	388,565,000	365,185,000
CO	38,108,000	32,375,000	22,365,000
Projects / Purpose		2,518,000	
MOOE		2,518,000	

STAFFING SUMMARY

	2019	2020	2021
TOTAL STAFFING			
Total Number of Authorized Positions	833	833	833
Total Number of Filled Positions	483	488	488

Proposed New Appropriations Language

For general administration and support, support to operations and operations, including locally-funded project, as indicated hereunder.....P 832,641,000
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OPERATIONS BY PROGRAM	PROPOSED 2021 (Cash-Based)			
	PS	MOOE	CO	TOTAL
FINANCIAL SUSTAINABILITY AND REVENUE STRENGTHENING PROGRAM	137,864,000	79,245,000		217,109,000
ASSET AND LIABILITY MANAGEMENT PROGRAM	87,147,000	40,948,000		128,095,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2021 (Cash-Based)
(in pesos)

REGION	PS	MOOE	CO	TOTAL
Regional Allocation	445,091,000	365,185,000	22,365,000	832,641,000
National Capital Region (NCR)	445,091,000	365,185,000	22,365,000	832,641,000
TOTAL AGENCY BUDGET	445,091,000	365,185,000	22,365,000	832,641,000

SPECIAL PROVISION(S)

1. Municipal Development Fund. The Municipal Development Fund (MDF), administered by the Municipal Development Fund Office (MDFO), constituted from the proceeds of foreign loans, grants, and assistance shall be used for the loaning and relending operations to LGUs in accordance with P.D. No. 1914, COA-DOF-DBM J.C. No. 6-87 dated August 17, 1987 and E.O. No. 41, s. 1998.

Disbursements or expenditures by the MDFO 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.

2. Fees and other Receipts of the Securities and Exchange Commission. The amount collected by the Securities and Exchange Commission (SEC) from fees, fines, and other charges pursuant to R.A. No. 11232 and its rules and regulations, shall be deposited and maintained in a separate account to be used for its modernization and to augment its operational expenses such as, but not limited to, capital outlays, increase in compensation and benefits comparable with prevailing rates in the private sector, reasonable employee allowance, employee health care service and other insurance, employee career advancement and professionalization, legal assistance, seminars, and other professional fees in accordance with Section 175 of the said law.

In addition, the SEC is authorized to retain and utilize the amount of One Hundred Million Pesos (P100,000,000) from its income from the registration of securities and other collection pursuant to R.A. No. 8799.

The use of income shall be subject to the guidelines issued jointly by the DBM and SEC.

Disbursements or expenditures by the SEC 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. 292, and to appropriate criminal action under existing penal laws.

The SEC shall prepare and submit to the DBM not later than November 15 of the preceding year, the annual operating budget for the current fiscal year covering its retained 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.

3. Reporting and Posting Requirements. The DOF 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 until such time that all agencies have fully migrated to the BTMS; and

- (b) DOF's website.

The DOF 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.

4. 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)

		<u>Current Operating Expenditures</u>			
		<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
PROGRAMS					
1000000000000000	General Administration and Support	154,150,000	185,924,000		340,074,000
100000100001000	General Management and Supervision	151,496,000	185,924,000		337,420,000
100000100002000	Administration of Personnel Benefits	2,654,000			2,654,000
Sub-total, General Administration and Support		154,150,000	185,924,000		340,074,000
2000000000000000	Support to Operations	65,930,000	59,068,000	22,365,000	147,363,000
200000100001000	Legal Services	11,971,000	4,661,000		16,632,000
200000100002000	Management of Information Systems	29,084,000	49,467,000	22,365,000	100,916,000
200000100003000	Revenue Integrity Protection Service (RIPS) activities	24,875,000	4,940,000		29,815,000
Sub-total, Support to Operations		65,930,000	59,068,000	22,365,000	147,363,000

3000000000000000	Operations	<u>225,011,000</u>	<u>120,193,000</u>	<u>345,204,000</u>
3100000000000000	00 : Fiscal sustainability attained	<u>137,864,000</u>	<u>79,245,000</u>	<u>217,109,000</u>
3101000000000000	FINANCIAL SUSTAINABILITY AND REVENUE STRENGTHENING PROGRAM	<u>137,864,000</u>	<u>79,245,000</u>	<u>217,109,000</u>
310100100001000	Financial and fiscal planning and programming, consolidation, analysis, generation of reports, project formulation on revenue statistics and policy research	19,045,000	8,900,000	27,945,000
310100100003000	Philippine Extractive Industries Transparency Initiative (PH-EITI)		13,346,000	13,346,000
310100100004000	Tax policy research and formulation (Direct Tax)	11,657,000	10,395,000	22,052,000
310100100005000	Tax policy research and formulation (Indirect Tax)	3,459,000	229,000	3,688,000
310100100006000	Preparation of inputs of financial and economic policies in various international fora	25,378,000	32,511,000	57,889,000
310100100007000	Oversight of tax law implementation and processing of tax exemption requests	47,978,000	8,990,000	56,968,000
310100100008000	Operation of One-Stop Shop Inter-Agency Tax Credit and Duty Draw-Back Center	30,347,000	4,874,000	35,221,000
3200000000000000	00 : Asset and debt effectively managed	<u>87,147,000</u>	<u>40,948,000</u>	<u>128,095,000</u>
3201000000000000	ASSET AND LIABILITY MANAGEMENT PROGRAM	<u>87,147,000</u>	<u>40,948,000</u>	<u>128,095,000</u>
320100100001000	Privatization Group and Council Secretariat support	23,972,000	13,506,000	37,478,000
320100100002000	Negotiation of international financing transactions	17,490,000	17,771,000	35,261,000
320100100003000	Monitoring and evaluation of financial performance of the government corporate sector	19,754,000	7,457,000	27,211,000
320100100004000	Administration of funds for municipal development	<u>25,931,000</u>	<u>2,214,000</u>	<u>28,145,000</u>
	Sub-total, Operations	<u>225,011,000</u>	<u>120,193,000</u>	<u>345,204,000</u>
	TOTAL NEW APPROPRIATIONS	<u>P 445,091,000</u>	<u>P 365,185,000</u>	<u>P 22,365,000</u>
		<u>=====</u>	<u>=====</u>	<u>=====</u>

Obligations, by Object of Expenditures

CYs 2019-2021
(In Thousand Pesos)

	(Cash-Based)		
	2019	2020	2021
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	293,316	294,823	320,118
Total Permanent Positions	<u>293,316</u>	<u>294,823</u>	<u>320,118</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	11,522	11,616	11,712
Representation Allowance	8,186	7,518	7,806
Transportation Allowance	6,304	7,386	7,674
Clothing and Uniform Allowance	3,279	2,904	2,928
Overtime Pay	690		
Mid-Year Bonus - Civilian	22,998	24,568	26,675
Year End Bonus	24,741	24,568	26,675
Cash Gift	2,420	2,420	2,440
Productivity Enhancement Incentive	2,374	2,420	2,440
Step Increment		737	800
Collective Negotiation Agreement	12,718		
Total Other Compensation Common to All	<u>95,232</u>	<u>84,137</u>	<u>89,150</u>
Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	260	354	309
Overseas Allowance		5,081	5,081
Other Personnel Benefits	14,291		
Total Other Compensation for Specific Groups	<u>14,551</u>	<u>5,435</u>	<u>5,390</u>
Other Benefits			
Retirement and Life Insurance Premiums	34,449	35,379	38,412
PAG-IBIG Contributions	574	582	586
PhilHealth Contributions	2,451	2,592	2,720
Employees Compensation Insurance Premiums	674	582	586
Loyalty Award - Civilian	200	255	225
Terminal Leave	4,520	2,185	2,654
Total Other Benefits	<u>42,868</u>	<u>41,575</u>	<u>45,183</u>
Non-Permanent Positions	<u>14,237</u>	<u>22,558</u>	<u>23,662</u>
TOTAL PERSONNEL SERVICES	<u>460,204</u>	<u>448,528</u>	<u>483,503</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	31,568	32,587	25,094
Training and Scholarship Expenses	11,324	12,610	5,424
Supplies and Materials Expenses	23,642	21,756	31,166
Utility Expenses	33,643	34,514	37,000
Communication Expenses	19,568	17,520	16,856

Confidential, Intelligence and Extraordinary Expenses			
Confidential Expenses	500	1,000	1,000
Extraordinary and Miscellaneous Expenses	3,980	4,228	4,632
Professional Services	123,227	124,672	116,663
General Services	38,925	36,785	45,468
Repairs and Maintenance	7,911	36,871	28,234
Taxes, Insurance Premiums and Other Fees	7,339	4,289	8,192
Other Maintenance and Operating Expenses			
Advertising Expenses	81,759	1,728	300
Printing and Publication Expenses	617	545	1,200
Representation Expenses	2,467	3,154	232
Rent/Lease Expenses	4,699	13,892	11,567
Membership Dues and Contributions to Organizations	171	20	20
Subscription Expenses	8,188	17,028	20,971
Other Maintenance and Operating Expenses	15,310	27,884	11,166
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>414,838</u>	<u>391,083</u>	<u>365,185</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>875,042</u>	<u>839,611</u>	<u>848,688</u>
Capital Outlays			
Property, Plant and Equipment Outlay			
Buildings and Other Structures	45		
Machinery and Equipment Outlay	35,953	32,375	22,365
Furniture, Fixtures and Books Outlay	2,110		
TOTAL CAPITAL OUTLAYS	<u>38,108</u>	<u>32,375</u>	<u>22,365</u>
GRAND TOTAL	<u>913,150</u>	<u>871,986</u>	<u>871,053</u>

STRATEGIC OBJECTIVES

SECTOR OUTCOME : Sound, stable and supportive macroeconomic environment sustained

ORGANIZATIONAL
OUTCOME : Fiscal sustainability attained
Asset and debt effectively managed

PERFORMANCE INFORMATION

<u>ORGANIZATIONAL OUTCOMES (00s) / PERFORMANCE INDICATORS (PIs)</u>	<u>2019 GAA Targets</u>	<u>Actual</u>
Fiscal sustainability attained		
FINANCIAL SUSTAINABILITY AND REVENUE STRENGTHENING PROGRAM		
Outcome Indicator(s)		
1. Improved tax effort	15.7%	14.7%

2. Improved government system that ensure transparency in all extractive industry transactions	100%	100%
3. Better resource governance; and timely, reliable, and open data on extractives are more accessible and relevant to extractives stakeholders and the general public	N/A	N/A
4. Sustained country's position at the forefront of international and regional economic finance cooperation	5	25

Output Indicator(s)

1. Number of plans and policy advisories developed and issued or updated and disseminated	5	9.75
2. Recommended policies on information disclosure and to address barriers to the full implementation of EITI	4	4
3. Recommended policies on mainstreaming transparency and accountability in the extractives sector, and number of target government agencies, and mining, and oil and gas companies implementing and maintaining systems for extractives data disclosure.	N/A	N/A
4. Number of offers provided by the Philippines in various fora/ international agreements	2	2
5. Number of final outcome documents in various fora/ international agreements endorsed to the Secretary	N/A	2

Asset and debt effectively managed

ASSET AND LIABILITY MANAGEMENT PROGRAM

Outcome Indicator(s)

1. Percentage of dividends collected from GOCC/ collection targets	100%	402%
2. Percentage of foreign loans and grants negotiated over targets	+15% to 20% of Target (subject to change depending on DBCC targets/NG financial requirements)	645.51%
3. Percentage of released fund over the target	105%	148%

Output Indicator(s)

1. Amount collected as dividend from GOCCs	P10.0B	P 52.59B* (*Final figure per BTR report as of February 19, 2020)
2. Value of foreign loans and grants negotiated	> or = US\$ 500M	US\$ 4,518.58M

3. Number of grants and loans approved 40 67

PERFORMANCE INFORMATION

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)	Baseline	2020 Targets	2021 NEP Targets
Fiscal sustainability attained			
FINANCIAL SUSTAINABILITY AND REVENUE STRENGTHENING PROGRAM			
Outcome Indicator(s)			
1. Improved tax effort	FY 2016-13.8%*, FY 2017-14.2%, FY 2018-14.7% *Figures are based on Tax Revenues Gross of Tax Refund/GDP	15.2% (DBCC, March 13, 2019)	12.9%
2. Improved government system that ensure transparency in all extractive industry transactions	FY 2016-100%, FY 2017-100%, FY 2018-100%	100%	N/A
3. Better resource governance; and timely, reliable, and open data on extractives are more accessible and relevant to extractives stakeholders and the general public	N/A	N/A	100%
4. Sustained country's position at the forefront of international and regional economic finance cooperation	FY 2016-6, FY 2017-6, FY 2018-5, FY 2019-25	10	7
Output Indicator(s)			
1. Number of plans and policy advisories developed and issued or updated and disseminated	FY 2016-9.75, FY 2017-12.75, FY 2018-9.75	4	4
2. Recommended policies on information disclosure and to address barriers to the full implementation of EITI	FY 2016-1, FY 2017-2, FY 2018-4	4	N/A
3. Recommended policies on mainstreaming transparency and accountability in the extractives sector, and number of target government agencies, and mining, and oil and gas companies implementing and maintaining systems for extractives data disclosure.	N/A	N/A	4
4. Number of offers provided by the Philippines in various fora/ international agreements	FY 2016-2, FY 2017-2, FY 2018-2	2	N/A
5. Number of final outcome documents in various fora/ international agreements endorsed to the Secretary	FY 2020-2	2	1

Asset and debt effectively managed

ASSET AND LIABILITY MANAGEMENT PROGRAM

Outcome Indicator(s)

1. Percentage of dividends collected from GOCC/ collection targets	FY 2016-462%, FY 2017-305%, FY 2018-403%	100%	100%
2. Percentage of foreign loans and grants negotiated over targets	FY 2016-127%, FY 2017-500.52%, FY 2018-100%	+15% to 20% of Target (subject to change depending on DBCC targets/NG financial requirements)	+15% to 20% of Target (subject to change depending on DBCC targets/NG financial requirements)
3. Percentage of released fund over the target	FY 2016-131.90%, FY 2017-156.44%, FY 2018-148%	105%	105%

Output Indicator(s)

1. Amount collected as dividend from GOCCs	FY 2016- P27.735B, FY 2017- P30.462B, FY 2018- P40.28B* (*Final figure per BTR report as of February 14, 2019)	P16.0B	P14.5B
2. Value of foreign loans and grants negotiated	FY 2016-US\$ 634.03M, FY 2017-US\$ 2,502.61M, FY 2018-US\$ 3,133.03M	> or = US\$ 700M	> or = US\$ 2,000M
3. Number of grants and loans approved	FY 2016-26, FY 2017-58, FY 2018-67	30	30