



REPUBLIKA NG PILIPINAS
KAGAWARAN NG PANANALAPI
KAWANIHAN NG INGATANG-YAMAN
(BUREAU OF THE TREASURY)
INTRAMUROS, MAYNILA 1002

Funding the Republic

TREASURY OFFICE ORDER NO. 15-2003

August 1, 2003

Pursuant to DOH, DOF and DBM Joint Circular No. 2003-1 dated 16 July 2003 in relation to Special Provisions No. 6 of the Appropriations of the Department of Health (DOH), page 295 of the FY 2003 General Appropriations Act (GAA), Republic Act No. 9206, the Bureau of the Treasury (BTr) and its District/Provincial and Regional Offices are enjoined to follow the guidelines enumerated herein:

1.0 Background

Under Special Provisions No. 6 of the appropriations of the DOH of R.A. 9206 otherwise known as the General Appropriations Act of FY 2003, all Income of the Special Hospitals, Medical Centers, Institute for Disease Prevention and Control, and other National Government Hospitals of the DOH shall be allowed to be retained and constituted as a Trust Fund for its use;

That at least 25% of such income shall be used to purchase and upgrade hospital equipment used directly in the delivery of health services; and

That no amount of said income shall be used for the payment of salaries and other allowances.

2.0 Coverage

2.1 The Joint Circular referred to in this Treasury Office Order (TOO) covers all income collected by all government hospitals and research institutions providing hospital services under the DOH, referred to as "DOH hospitals"

2.2 The following income, referred to as "Hospital Income" shall no longer be remitted to the Bureau of the Treasury (BTr) but shall be constituted as trust fund to be deposited in any authorized government depository bank (AGDB):

2.2.1 Hospital fees.

2.2.2 Medical, dental and laboratory fees.

2.2.3 Rent, income derived from the use of the hospital equipments/facilities;

- 2.2.4 Proceeds from the sale of hospital therapeutic products, prosthetics appliances and other medical devices.
 - 2.2.5 Diagnostic examination fees.
 - 2.2.6 Donations in cash from individuals or non-government organizations that are satisfied with hospital services, which are in turn given as assistance to indigent patients.
- 2.3 All collections other than the above-mentioned income including the following shall be deposited to the BTr:
- 2.3.1 Interest income arising from the current account deposits as income of the general fund.
 - 2.3.2 Grant proceeds treated as Special Accounts in the General Fund.
 - 2.3.3 Affiliation/medical/professional fees treated as trust receipts under Executive Order No. 338 and implemented under COA, DBM and DOF Joint Circular No. 1-97 dated January 2, 1997.

3.0 Procedural Guidelines

- 3.1 Effective January 2003, DOH hospital income already deposited with the BTr shall be released to DOH Hospitals by the DBM in accordance with the following guidelines:
- 3.1.1 BTr District/Provincial Offices shall issue certification of deposited collections upon request of DOH Hospitals.
 - 3.1.2 BTr National Cash Accounting Division (NCAD), based on District/Provincial Offices' certification, shall issue a certification supported by Journal Entry Voucher attesting to the transfer of the subject hospital income from the General fund to Trust Fund.
- 3.2 The BTr District/Provincial Offices shall monitor the interest income arising from current account deposits of DOH Hospitals as follows:
- 3.2.1 The BTr District/Provincial Offices shall require the DOH Hospitals to submit Status of Actual Quarterly Income

Collections and Utilization to monitor the transfer of interest income to TOP's account.

3.2.2 The BTr District/Provincial Offices shall request AGDB for a copy of Inter-Office Advice covering transfer of interest income from the current account of DOH Hospitals to TOP's account with AGDBs, to wit :

LBP - TOP-SA No. 0011-2152-03
DBP - TOP-SA No. 5-10729-405-1
PVB - TOP-SA No. 00102-002477-0
PNB - TOP-SA No. 072-5810040
PPSB - TOP-SA No. 140020-09231-5

3.2.3 The BTr District/Provincial Offices shall report to the Regional Offices who shall in turn report to NCAD, the amount of interest income transferred/credited to TOP's account.

3.3 The NCAD shall record the interest income as income of the General Fund of the Bureau of the Treasury

4.0 Applicability Clause

The applicability clause of the TOO shall depend on the valid effectivity of the JC 2003-1 and until such time that Special Provisions No. 6 of the appropriations of DOH is superseded/deleted.

5.0 Effectivity

All orders previously issued and inconsistent with this Order are hereby revoked and/or modified accordingly.

This Order shall take effect immediately.

(SGD) EDUARDO SERGIO G. EDEZA
Treasurer of the Philippines