



REPUBLIC OF THE PHILIPPINES
Department of Budget and Management
 Malacañang, Manila

CORPORATE OPERATING BUDGET
 Calendar Year 2013

TO: PHILIPPINE COCONUT AUTHORITY (PCA)

Your Corporate Operating Budget (COB) for Calendar Year 2013 per approved Board of Governors Resolution No. 033-2013 dated April 17, 2013, submitted pursuant to Section 6 of Executive Order (E.O.) No. 518, series of 1979 and Section 19, Chapter 3, Book VI of E.O. No. 292, series of 1987, is hereby approved for a total amount not exceeding **TWO BILLION FIFTY NINE MILLION ONE HUNDRED SIXTY THREE PESOS ONLY (P2,059,163,000)** details of which are shown below:

Particulars	Proposal (a)	Approved (b)	Variance (c=b-a)
TOTAL SOURCES:	P 2,495,500,000	P 2,482,350,000	P (4,450,000)
Corporate Funds	P 733,600,000	P 733,600,000	P -
General Fund/NG Support	1,753,200,000	1,748,750,000	(4,450,000)
Corporate Borrowings	8,700,000	8,700,000	-
TOTAL USES:	P 2,495,500,000	P 2,059,163,000	P (436,337,000)
Personal Services (PS)	P 540,000,000	P 375,183,000	P (164,817,000) a/
Maintenance and Other Operating Expenses (MOOE)	1,774,000,000	1,502,480,000	(271,520,000) b/
Capital Outlays (CO)	180,000,000	180,000,000	-
Loan Amortization	1,500,000	1,500,000	-
Excess/Shortfall	P -	P 423,187,000	P 431,887,000

Footnotes:

a/ The variance of P164,817,000 refers to the following:

1. Overprovision

Salaries	P 105,788,000	862 filled positions as of Dec. 31, 2012
PERA	7,392,000	P2,000 x 862 filled positions
Clothing and Uniform Allowances	1,540,000	P5,000 x 862 filled positions
Year-End Bonus	8,815,000	1 month salary
Cash Gift	1,540,000	P5,000 x 862 filled positions
Representation & Transportation Allowance	7,788,000	Based on GAA
Anniversary Bonus	3,264,000	P3,000 x 862 filled positions
Productivity Incentive Benefits	616,000	P2,000 x 862 filled positions
Life and Retirement Insurance Prerogative	12,695,000	12% of basic salary
Employee Compensation Insurance	370,000	P100 x 12 mos. x 862 filled positions
Pag-IBIG Contributions	370,000	P100 x 12 mos. x 862 filled positions
Philhealth Contributions	1,032,000	Based on PHIC Circular No. 1, s. 2005

2. Chargeable to Savings

Medical Health Benefits	10,000,000
Loyalty Awards	870,000
Others (BAC Honoraria)	1,000,000

3. No legal basis
Others (Hazard Pay)

1,737,000
164,817,000

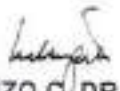
b/ MOOE level computed considering actual expenses for the previous year and effects of inflation.

The approval of the COB shall be subject to the following conditions:

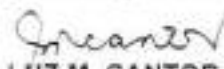
1. All expenditures, whether for current operating expenditures or CO, shall be made within the limits of available funds realized from corporate receipts, authorized corporate borrowings and National Government budgetary support either in the form of subsidy, equity or loans outlay.
2. Disbursements for personnel amelioration/benefit shall be subject to the pertinent compensation laws, rules and regulations, including E.O. Nos. 7 and 24 dated September 8, 2010 and February 10, 2011, respectively. Such expenditures shall also be conditioned on the relevant General Provisions of Republic Act (R.A.) No. 10352, the FY 2013 General Appropriations Act (ex. Representation and Transportation Allowances under Section 45, General Provisions), or any specific law or approval of the President of the Philippines or Secretary of Budget and Management, as the case maybe.
3. Disbursements for extraordinary and miscellaneous expenses shall be subject to Section 23, General Provisions of R.A. No. 10352.
4. For equipment items per Annual Equipment Procurement Program that require specific clearance/approval from the Agencies concerned (ex. National Computer Center for information technology equipment and Office of the President/Department of Budget and Management/Supervising Department for motor vehicles) the same shall be secured before acquisition thereof in accordance with Corporate Budget Circular No. 17 dated February 9, 1996, National Budget Circular Nos. 446 and 446-A dated November 24, 1995 and January 30, 1998, respectively, Budget Circular No. 2010-2 dated March 1, 2010, Administrative Order (A.O.) No. 233 dated August 1, 2008, Office of the President Memorandum Circular No. 9 dated December 14, 2010 and A.O. No. 15 dated May 25, 2011, among others.
5. The fiscal discipline measures prescribed under A.O. No. 103 dated August 31, 2004 shall be strictly observed.
6. It is understood that this review action does not authorize any item of expenditure that is prohibited by or inconsistent with the provisions of law.
7. The pertinent laws, rules and regulations including those on compensation, procurement, budgeting, accounting and auditing shall be strictly followed. Compliance with all existing laws, rules and regulations shall be the responsibility of the implementing government corporation.

Recommending Approval:

Approved:


LORENZO O. DRAPETE
Director, BMB-F

By Authority of the Secretary


LUZ M. CANTOR
Assistant Secretary

Date: NOV 15 2013

COB No. F1-13-0016

cc: The Chairman
Board of Directors, PCA

The Resident Auditor
COA - PCA

Assistant Commissioner Lourdes M. Castillo
Commission on Audit (COA) - Central Office

Department of Budget and Management



2013-S12991L