



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
 BONCODIN HALL, GENERAL SOLANO STREET, SAN MIGUEL, MANILA

CORPORATE OPERATING BUDGET

Fiscal Year (FY) 2018

TO: PHILIPPINE COCONUT AUTHORITY (PCA)

Your Corporate Operating Budget (COB) for FY 2018 per Board Resolution No. 054-2018 dated June 1, 2018, submitted pursuant to Section 6 of Executive Order (EO) No. 518, series of 1979 and Section 19, Chapter 3, Book VI of EO No. 292, series of 1987, is hereby approved for a total amount of **FOUR BILLION FOUR HUNDRED EIGHT MILLION SEVEN HUNDRED TWENTY TWO PESOS ONLY (P4,408,722,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 4,780,323,000	P 4,780,323,000	P -
Corporate Funds	626,300,000	626,300,000	-
National Government (NG) Subsidy	3,997,216,000	3,997,216,000	-
Current Year	1,486,466,000	1,486,466,000	
Prior Years	2,510,750,000	2,510,750,000	
Reprogrammed Funds (PY Operating Income and Foreign-Assisted Project Funds)	156,807,000	156,807,000	
TOTAL USES	P 4,780,323,000	P 4,408,722,000	P (371,601,000)
Personnel Services (PS)	560,640,000	499,824,000	(60,816,000) a/
Maintenance and Other Operating Expenses (MOOE)	3,192,967,000	2,882,182,000	(310,785,000) b/
Capital Outlays (CO)	1,026,716,000	c/ 1,026,716,000	d/ -
Excess / (Shortfall)	P -	P 371,601,000	P 371,601,000

Footnote:

a/ The variance of P60,816,000 represents overprovision for the following:

Particulars	Amount	Remarks
Salaries	42,015,000	
PERA	2,832,000	
Clothing/Uniform Allowance	708,000	
Midyear and Yearend Bonus	7,004,000	
Cash Gift	590,000	
RATA	132,000	
Per Diem	1,267,000	
Anniversary Bonus	354,000	
Productivity Enhancement Incentive	590,000	
Life and Retirement Insurance	5,042,000	
Employee Compensation Insurance	141,000	
PAG-IBIG Contributions	141,000	
Subtotal	60,816,000	

b/ The MOOE level was computed considering actual/audited expenses for previous years and the effects of inflation, details of variance as follows:

Particulars	Amount	Remarks
Travelling Expenses	71,189,000	
Utility Expenses	11,776,000	
Communication Expenses	13,620,000	
Supplies and Materials Expenses	65,970,000	
Awards and Indemnities	2,394,000	
Advertising and Promotional Expenses	3,414,000	

Excess in the computation considering 2016 audited/2017 actual expenses and 4.5% inflation rate

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Printing and Binding Expenses	12,629,000	Excess in the computation considering 2016 audited/2017 actual expenses and 4.5% inflation rate
Representation Expense	559,000	
Subscription Expense	768,000	
Repair and Maintenance Expenses	66,523,000	
Other MOOE	61,943,000	
TOTAL	P 310,785,000	

c/ Includes P77 million for the purchase of motor vehicles which needs prior approval from the Department Head, DBM and Office of the President (OP) as the case may be. This shall be acted upon separately upon compliance of the documentary requirements.

Notwithstanding the above-indicated variances in PS and MOOE, the PCA has the flexibility to modify its utilization within the DBM-approved budget level for each allotment class for items funded out of corporate funds. In case of those funded out of National Government budgetary support, Section 72 of the General Provisions of RA No. 10964 on the rules on the modification in the allotment shall apply.

The following conditions shall be observed and complied with:

1. All expenditures, whether for current operating expenditures or COs, 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. Any increase in the approved principal COB in the course of the budget year, as may be warranted by additional corporate receipts, shall require the submission of a supplemental COB to cover the additional expenditures.
3. This approval shall not be construed as an authorization for specific expenditure items under PS which requires prior approval by the Office of the President (OP). Disbursements for PS shall strictly observe pertinent compensation laws, rules and regulations, including EO Nos. 7 and 24 dated September 8, 2010 and February 10, 2011, respectively, and EO No. 203 as amended by EO No. 36 (Suspending the Compensation and Position Classification System under EO No. 203, providing for Interim Compensation Adjustments, and for Other Purposes) for GOCCs covered by RA 10149. Such expenditures shall also be subject to relevant conditions under the General Provisions of the annual General Appropriations Act (GAA) or any specific law or approval of the OP and/or Secretary of Budget and Management or the GCG, as the case may be.
4. Disbursements for Extraordinary and Miscellaneous Expenses (EME) and other MOOE items shall be subject to the relevant provisions of the annual GAA, among others.
5. Equipment Outlays included in the Annual Procurement Program that require specific clearance/approval from the agencies concerned (e.g. Department of Information and Communications Technology particularly the MITHI Steering Committee) for information and communication technology equipment and the Office of the President (OP)/Department of Budget and Management/Supervising Department for procurement of motor vehicles). The same shall be secured before acquisition thereof in accordance with Corporate Budget Circular No. 17 dated February 9, 1996, Budget Circular (BC) No. 2017-1 dated April 26, 2017, amending BC No. 2016-5 dated August 22, 2016, AO No. 15, dated May 25, 2011, amending AO No. 233, s. 2008 dated August 1, 2008, OP Memorandum Circular No. 9 dated December 14, 2010, among others.
6. Electronic payment shall be observed in the disbursement of corporate and public funds. In case the same is impracticable, the GOCC shall be allowed to continue with the existing payment scheme.
7. Notwithstanding the repeal of AO No. 103, existing laws, rules and regulations mandating the judicious and prudent use of government funds shall be observed. No irregular, unnecessary, extravagant, excessive and unconsonable expenses shall be incurred pursuant to AO No. 6 dated September 19, 2017.
8. 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.

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9. Any and all officials or employees who will authorize, allow or permit, as well as those who are negligent in the performance of their duties and functions which resulted in the incurrence or payment of unauthorized and unlawful obligation or expenditure shall be personally liable to the government for the full amount committed or expended and subject to disciplinary actions in accordance with Section 43, Chapter 5 and Section 80, Chapter 7, Book VI of EO No.292.

Recommending Approval:


CARMENCITA P. MAHINAY
Director, BMB - C

Date: SEP 05 2018

Approved:

By Authority of the Secretary:


TINA ROSE MARIE L. CANDA
Undersecretary

COB No. CI-18-0045

cc: The Chairman
Board of Council, PCA

Assistant Commissioner Lourdes M. Castillo
Commission on Audit (COA) - Central Office
COA Building, Quezon City

The Resident Auditor
COA - PCA

Department of Budget and Management

BTS



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