



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

CORPORATE OPERATING BUDGET

Fiscal Year (FY) 2019

TO: PHILIPPINE COCONUT AUTHORITY (PCA)

Your Corporate Operating Budget (COB) for FY 2019 per Board Resolution No. 022-2019 dated September 12, 2019, 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 **THREE BILLION SIX HUNDRED SEVENTY THREE MILLION NINE HUNDRED EIGHTY FOUR THOUSAND PESOS ONLY (P3,673,984,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 4,004,901,000	P 4,004,901,000	P -
Corporate Funds	646,340,000	646,340,000	-
National Government (NG) Subsidy	3,358,561,000	3,358,561,000	-
Current Year	1,251,356,000	1,251,356,000	-
Prior Years (Reprogrammed Funds)	2,107,205,000	2,107,205,000	-
TOTAL USES	P 4,004,901,000	P 3,673,984,000	P (330,917,000)
Personnel Services (PS)	596,058,000	449,059,000	(146,999,000) a/
Maintenance and Other Operating Expenses (MOOE)	2,581,342,000	2,397,424,000	(183,918,000) b/
Capital Outlays (CO)	827,501,000	c/ 827,501,000	-
Excess / (Shortfall)	P -	P 330,917,000	P 330,917,000

Footnote:

a/ The variance of P146,999,000 represents overprovision for the following:

Particulars	Amount	Remarks
Salaries	104,140,000	Based on 2018 level for 531 positions and estimates for 89 positions for filling up in the current year
PERA	4,944,000	
Clothing/Uniform Allowance	1,236,000	
Midyear and Yearend Bonus	17,356,000	
Cash Gift	1,030,000	
RATA	132,000	Non-provision of Transportation Allowance (TA) to official/s with assigned motor vehicle
Per Diem	2,995,000	Based on GCG approval letter dated 7/21/2015
Productivity Enhancement Incentive	1,030,000	Based on 2018 level for 531 positions and estimates for 89 positions for filling up in the current year
Life and Retirement Insurance	12,496,000	
Employee Compensation Insurance	247,000	
PAG-IBIG Contributions	247,000	
PhilHealth Contributions	1,146,000	
Subtotal	146,999,000	

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

Particulars	Amount
Travelling Expenses	P 35,165,000
Utility Expenses	8,568,000
Communication Expenses	9,845,000
Supplies and Materials Expenses	40,188,000
Awards and Indemnities	1,420,000
Advertising and Promotional Expenses	7,046,000
Printing and Binding Expenses	5,839,000
Representation Expense	475,000
Subscription Expense	827,000
Repair and Maintenance Expenses	26,994,000
Extraordinary and Miscellaneous Expenses (EME)	81,000
Other MOOE	47,470,000
TOTAL	P 183,918,000

TO: PHILIPPINE COCONUT AUTHORITY (PCA)

c/ The proposed CO level is broken down as follows:

Particulars	Amount
Land and Land Improvements Outlay	1,800,000
Building and Structures Outlay	389,005,000
Office Equipment, Furniture and Fixtures Outlay	8,420,000
Machineries and Equipment Outlay	330,606,000
Transportation Equipment Outlay*	79,434,000
Infrastructures Outlay	18,236,000
TOTAL	P 827,501,000

* The purchase of transportation equipment shall be consistent with the following guidelines:

1. Per Administrative Order (AO) No. 14 dated December 10, 2018, the proposed acquisition of motor vehicles shall be subject to prior approval from the Department of Agriculture, as the supervising body of the PCA. Thus, the Authority to Purchase Motor Vehicle shall be acted upon separately by the Department of Budget and Management.
2. Procuring entities may undertake their own procurement of motor vehicles pursuant to GPPB Resolution No. 20-2019 which delisted the motor vehicles from the list of Common-Use Supplies and Equipment to be procured thru the Procurement Service (PS).

Notwithstanding the above-indicated variances in PS and MOOE, the PCA still has the flexibility to modify its utilization within the DBM-approved budget level for items funded out of corporate funds. In case of those funded out of NG budgetary support, Section 76 of the General Provisions (GPs) of RA No. 11260 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 for COs, shall be made within the limits of available funds realized from corporate receipts, authorized corporate borrowings and NG 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 GPs of the annual General Appropriations Act (GAA) or any specific law or approval of the President of the Philippines and/or Secretary of Budget and Management or the Governance Commission for GOCCs, as the case may be.
4. Disbursements for EME and other MOOE expenditures shall be subject to the relevant provisions of the annual GAA, among others.
5. For equipment outlays included in the Annual Procurement Program that require specific clearance/approval from the agencies concerned, shall be secured before acquisition thereof. Examples: Department of Information and Communications Technology for procurement of information and communication technology equipment covered by the GOCC's Information System Strategic Plan, and OP/Department of Budget and Management/Supervising Department for the purchase of motor vehicles (MV), in accordance with Corporate Budget Circular No. 17 dated February 9, 1996, Administrative Order No. 14 dated December 10, 2018; Budget Circular (BC) No. 2019-2 dated March 4, 2019; Office of the President Memorandum Circular No. 9 dated December 14, 2010. Further, the classification/s and specifications of subject motor vehicle/s shall be consistent with the provisions of BC No. 2019-2, and Annex B of BC No. 2017-1, among others.
6. Electronic payment shall be observed in the disbursement of corporate and public funds. In case when 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.

TO: PHILIPPINE COCONUT AUTHORITY (PCA)

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: 11-15-19

Approved:

By Authority of the Secretary:


TINA ROSE MARIE L. CANDA

Undersecretary

COB No. C1-19-0041

cc: The Chairman
Board of Council, PCA

Assistant Commissioner Winnie Rose Encallado
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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