



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

CORPORATE OPERATING BUDGET
Fiscal Year 2021

TO: PHILIPPINE COCONUT AUTHORITY (PCA)

Your Corporate Operating Budget (COB) for FY 2021 per approved PCA Board Resolution No. 028-2021 dated May 24, 2021, 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 **TWO BILLION SEVEN HUNDRED FORTY-THREE MILLION FIVE HUNDRED NINETY-SEVEN THOUSAND PESOS ONLY (P2,743,597,000.00)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES	P 2,768,288,000	P 2,768,288,000	P -
Corporate Funds	351,248,000	351,248,000	-
Trust Fund	27,539,000	27,539,000	-
National Government (NG) Subsidy	2,389,501,000	2,389,501,000	-
Current Year	1,263,768,000	1,263,768,000	-
Prior Years (Reprogrammed Funds)	1,125,733,000	1,125,733,000	-
TOTAL USES	P 2,768,288,000	P 2,743,597,000	P (24,691,000)
Personnel Services (PS)	421,255,000	413,161,000	(8,094,000) a/
Maintenance & Other Operating Expenses (MOOE)	1,887,795,000	1,871,198,000	(16,597,000) b/
Capital Outlays (CO)	459,238,000	459,238,000 c/	-
Excess	P -	P 24,691,000	P 24,691,000

Footnotes:

a/ The PS variance of P8,094,000 represents overprovision for the following items:

Particulars	Amount	Remarks
Representation and Transportation Allowance	P 2,376,000	Excess in the computation based on rates per Section 56 of the General Provisions (GPs) of the FY 2021 General Appropriations Act (GAA)
Per Diem	1,728,000	Ex-officio members are not entitled to Per Diem pursuant to GCG Memorandum No. 2016-01, series of 2016
Longevity Pay	31,000	No longevity pay if the employees are receiving step increment pursuant to CSC-DBM Joint Circular No. 1, series of 2012
Retirement and Life Insurance Premium	2,959,000	Excess in the computed 12% of the total basic salary
Total	P 5,094,000	

b/ The recommended MOOE level is computed considering actual/audited expenses in previous years and the effects of inflation, except for items covered by contracts which are recommended as proposed. The variance of P16,597,000.00 represents overprovision for Other MOOE.

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

Particulars	Amount
Land and Land Improvement Outlay	P 182,000
Infrastructure Outlay	13,024,000
Buildings and Other Structures Outlay	82,230,000
Machinery and Equipment Outlay	327,299,000
Furniture, Fixture and Books Outlay	2,523,000
Biological Assets Outlay	19,920,000
Transportation Equipment Outlay	13,350,000
Total	P 459,238,000

The recommended amount under the Transportation Equipment Outlay is intended for the acquisition of 12 units motor vehicles (MVs), the corresponding authority to purchase MVs of which shall be acted upon separately subject to the submission of the detailed specifications/description of MVs, latest inventory of existing units and endorsement from the Department of Agriculture, where PCA is attached to pursuant to item 4.2 of Budget Circular No. 2019-2.

TO: PHILIPPINE COCONUT AUTHORITY (PCA)

Notwithstanding the aforementioned 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 the case of those funded out of NG budgetary support, Section 72 of the General Provisions of Republic Act No. 11518 on the rules on the modification in allotment shall apply.

Further, 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 Government-Owned or-Controlled Corporations (GOCCs) covered by RA No. 10149. Such expenditures shall also be subject to relevant conditions under the GPs of the annual 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 Extraordinary and Miscellaneous Expenses 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 MV, in accordance with Corporate Budget Circular No. 17 dated February 9, 1996, Administrative Order (AO) No. 14 dated December 10, 2018; Budget Circular (BC) No. 2019-2 dated March 4, 2019; OP Memorandum Circular No. 9 dated December 14, 2010. Further, the classification/s and specifications of subject MVs 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 unconscionable 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.
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:

Elena Regina S. Brillantes
Digitally signed by
Elena Regina S.
Brillantes

ELENA REGINA S. BRILLANTES

OIC-Director IV, BMB-C

Date: **NOV 23 2021**

Approved by:

Tina Rose Marie L. Canda
TINA ROSE MARIE L. CANDA
Officer-in-Charge, DBM



The Chairman
Board of Directors, PCA

Assistant Commissioner Wensie Rose H. Encillado
Commission on Audit (COA) - Central Office
COA Building, Quezon City

The Resident Auditor
COA - PCA

COB No. C1-21-0055

Date: **NOV 23 2021**