



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

CORPORATE OPERATING BUDGET

Fiscal Year 2022

TO: PHILIPPINE COCONUT AUTHORITY (PCA)

Your Corporate Operating Budget (COB) for FY 2022 per Secretary's Certificate on Board Resolution No. 015-2022 dated May 10, 2022, submitted pursuant to Section 6 of Executive Order (EO) No. 518, series of (s.) 1979 and Section 19, Chapter 3, Book VI of EO No. 292, s. 1987, is hereby approved for a total of **TWO BILLION THREE HUNDRED FIFTY MILLION TWO HUNDRED SEVENTY-EIGHT THOUSAND PESOS ONLY (P2,350,278,000.00)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES	P 2,503,873,000	P 2,503,873,000	P -
Corporate Funds	388,155,000	388,155,000	-
National Government Subsidy	2,115,718,000	2,115,718,000	-
TOTAL USES	P 2,503,873,000	P 2,350,278,000	P (153,595,000)
Personnel Services (PS)	550,487,000	550,487,000 a/	-
Maintenance & Other Operating Expenses (MOOE)	1,811,094,000	1,668,027,000 b/	(143,067,000)
Capital Outlays (CO)	142,292,000	131,764,000 c/	(10,528,000)
Excess	P -	P 153,595,000	P (153,595,000)

Footnotes:

- a/ The PCA shall strictly adhere to the policy and guidelines on the Compensation and Position Classification System (CPCS), pursuant to Executive Order No. 150 dated October 1, 2021, its implementing rules and regulations.
- b/ The recommended MOOE level is computed considering the prior year's performance on budget utilization except for items covered by contracts and financial expenses, which are recommended as proposed. On the other hand, the proposed Extraordinary and Miscellaneous Expenses (EME) rate was computed based on rates per CPCS Circular No. 2021-013 dated January 12, 2022. The variance of P86,446,000.00 pertains to the effect of the preceding year's Budget Utilization Rate (BUR) for MOOE i.e., **67%**.
- c/ The purchase of transportation equipment shall be consisted with the following guidelines:
1. Per Section 5 of Administrative Order (AO) No. 14 dated December 10, 2018, the proposed acquisition of motor vehicles is delegated to the Department of Budget and Management. The corresponding Authority to Purchase Motor Vehicle shall be acted upon separately upon submission of the required supporting documents listed under item 13.0 of Budget Circular No. 2022-1 dated February 11, 2022.
 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 MOOE and CO, the PCA still has the flexibility to modify its utilization within the total DBM-approved budget level.

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 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. 150 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 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 MOOE expenditures shall be subject to the relevant provisions of the annual GAA, among others.
5. Equipment outlays included in the Annual Procurement Program that requires specific clearance/approval from the Agencies concerned shall be secured prior to the acquisition thereof, e.g. Office of the President/Department of Budget and Management/Supervising Department for the purchase of motor vehicles (MV), in accordance with Budget Circular (BC) No. 2022-1 dated February 11, 2022. Further, the classifications and specifications of the subject motor vehicle/s shall be consistent with the provisions of Annex A of the said BC.

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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:


MARIA GRACE M. DE LOS SANTOS
Director, BMB-C

Date: 8 November 2022

Approved:

By Authority of the Secretary:


TINA ROSE MARIE L. CANDA
Undersecretary

Date: NOV 10 2022

cf: **The Chairman**
Board of Directors, PCA

COB No. C1-22-0068

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

The Resident Auditor
COA - PCA