



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
 BONCODIN HALL, GEN. SOLANO ST., SAN MIGUEL, MANILA

CORPORATE OPERATING BUDGET
 Calendar Year 2017

TO: PHILIPPINE RETIREMENT AUTHORITY (PRA)

Your Corporate Operating Budget (COB) for Calendar Year 2017 per approved Board of Trustees Ad Referendum Resolution No. 02, s. 2017 dated May 4, 2017 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 of **TWO HUNDRED NINETY FOUR MILLION THREE HUNDRED THIRTY TWO THOUSAND PESOS ONLY (P294,332,000.00)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 801,365,000	P 801,365,000	P -
Corporate Funds	801,365,000	801,365,000	-
TOTAL USES:	P 637,636,000	P 294,332,000	P (343,304,000)
Personnel Services (PS)	68,176,000	52,004,000	(16,172,000) a/
Maint. & Other Operating Exp. (MOOE)	354,994,000	172,858,000	c/ (182,136,000)
Capital Outlays (CO)	214,466,000	69,470,000	d/ (144,996,000)
Excess/Shortfall	<u>P 163,729,000</u>	<u>P 507,033,000</u>	<u>P 343,304,000</u>

Footnotes:

a/ The PS variance refers to:

I. Overprovision of the hereunder items:

Salaries	P 9,299,000	} Excess provision for 77 filled positions as of August and 4 positions to be filled up from September to December 2017
Personnel Economic Relief Allowance	424,000	
Clothing/Uniform Allowance	95,000	
Year-end Bonus	825,000	
Cash Gift	89,000	
Productivity Enhancement Incentive	89,000	
Life & Retirement Insurance Premium	1,116,000	
Employees Compensation Insurance Premium	21,000	
Pag-ibig Contributions	21,000	
Philhealth Contributions	150,000	

Based on actual payout
 Computed in accordance with Sec. 54 of Republic Act (RA) No. 10924, FY 2017 General Appropriations Act (GAA)
 Chargeable against savings

II. Disallowance of Overtime Pay

TOTAL P 1,865,000
16,172,000

Recommendation includes P6.682 Million which shall be used exclusively for the initial implementation of Executive Order No. 36 once approved by the Governance Commission for Government and/or Controlled Corporations (GCG).

Pursuant to Section 2 of EO No. 36 dated July 28, 2017, SSL-covered GOCCs shall adopt the Modified Salary Schedule under EO No. 201 dated February 19, 2016 as well as allowances and benefits provided therein, upon approval by the GCG.

The implementation of the compensation adjustments shall be subject to the provisions of EO No. 201, where applicable. GOCCs which do not have adequate or sufficient funds shall partially implement the Modified Salary Schedule and authorized benefits. In case of partial implementation, the same shall be at uniform percentage across all positions of GOCC.

b/ Net of non-cash items of P12 Million

c/ MOOE level is computed considering actual/audited expenses for the previous years, and the effects of inflation.

d/ CO level based on costs of feasible/doable projects to be implemented up to year-end.


TO: PHILIPPINE RETIREMENT AUTHORITY (PRA)

This approval shall not be construed as an authorization for specific expenditure items under PS which requires prior approval of the OP. Further, 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. Disbursement for Personnel Services (PS) shall strictly observe pertinent compensation laws, rules and regulations, including Executive Order (EO) Nos. 7 and 24 dated September 8, 2010 and February 10, 2011, respectively and 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 not covered by RA 10149 and EO 203 and amendments thereto for GOCCs covered by RA 10149. Such expenditures shall be subject to relevant conditions under the General Provisions 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 GCG, as the case maybe.
4. Disbursements for extraordinary and miscellaneous expenses (EME) and other MOOE expenditures shall be subject to relevant provision of the annual GAA, among others.
5. Equipment outlays included in the Annual Procurement Program that require specific clearance/approval from the agencies concerned (ex. Information and Communications Technology Office (DICT-ICTO) 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, Budget Circular No. 2017-1 (amending BC No. 2016-5) dated April 26, 2017, and AO No. 15 (amending AO 233,s. 2008), dated May 25, 2011, Office of the President 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 cases when the adoption is impracticable, GOCC shall be allowed to continue with the existing payment scheme.
7. 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.

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 292.


Recommending Approval:


LORENZO C. DRAPETE
Director, BMB -C

Date: **OCT 26 2017**

Approved:

By Authority of the Secretary


LUZ M. CANTOR
Undersecretary *lw*

COB No. C2-17-0065

cc: The Chairman
Board of Trustees, PRA

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

The Resident Auditor
COA, PRA

Department of Budget and Management
BTS



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