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

**CORPORATE OPERATING BUDGET**

Calendar Year 2018

**TO: PHILIPPINE RETIREMENT AUTHORITY (PRA)**

Your Corporate Operating Budget (COB) for Calendar Year 2018 per approved Board of Trustees Ad Referendum Resolution No. 06, series of 2018 dated April 17, 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 of **THREE HUNDRED SIXTY FIVE MILLION FORTY THREE THOUSAND PESOS ONLY (P365,043,000.00)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
<b>TOTAL SOURCES:</b>	<b>P 910,187,000</b>	<b>P 910,187,000</b>	<b>P -</b>
Corporate Funds	910,187,000	910,187,000	-
<b>TOTAL USES:</b>	<b>P 495,511,000</b>	<b>P 365,043,000</b>	<b>P (130,468,000)</b>
Personnel Services (PS)	76,437,000	65,714,000	(10,723,000) a/
Maintenance and Other Operating Expenses (MOOE)	354,624,000	234,879,000	(119,745,000) b/
Capital Outlays (CO)	64,450,000	64,450,000 c/	-
<b>Excess/Shortfall</b>	<b>P 414,676,000</b>	<b>P 545,144,000</b>	<b>P 130,468,000</b>

**Footnotes:**

a/ The PS variance refers to:

I. Overprovision of the hereunder items:

Basic Salary	P 4,636,000
Personnel Economic Relief Allowance	238,000
Uniform/ Clothing Allowance	102,000
Year-End Bonus	675,000
Retirement & Life Insurance Premium	556,000
Employees Compensation Insurance Premium	12,000
Pag-IBIG Contributions	12,000
Cash Gift	152,000

Excess provision for 82 filled positions as of July and 17 positions to be filled up from August to December 2018

Rates pursuant to Budget Circular No. 2016-4 dated April 28, 2016

Per submitted list of PRA employees for separation from the service

Based on actual payout

Computed in accordance with Section 55 of Republic Act (RA) No. 10964, FY 2018 General Appropriations Act (GAA)

Rates pursuant to DBM Circular Letter No. 2018-3 dated January 16, 2018

Chargeable against savings

Terminal Leave Benefits	342,000
Midyear Bonus	1,047,000
Representation and Transportation Allowances	484,000
PhilHealth Contributions	45,000

II. Disallowance of Overtime Pay	2,422,000
<b>TOTAL</b>	<b>P 10,723,000</b>

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 Governance Commission for Government and/or Controlled Corporations (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 a uniform percentage across all positions of the GOCC.

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

<u>Particulars</u>	<u>Amount</u>
Traveling Expenses	P 6,817,000
Training Expenses	4,910,000
Supplies and Materials	5,696,000
Water, Illumination and Power Service	588,000
Advertising Expenses	30,150,000
Printing and Publication Expenses	210,000
Representation Expenses	4,775,000
Transportation and Delivery Expenses	812,000
Subscription Expense	10,000
Legal Services	137,000
Consultancy Services	4,760,000
Repair and Maintenance of Facilities and Vehicles	5,459,000
Taxes, Duties and Fees	25,050,000
Other MOOE	30,371,000
<b>TOTAL</b>	<b>P 119,745,000</b>

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

<u>Particulars</u>	<u>Amount</u>
Buildings and Structures Outlay	P 700,000
Office Equipment, Furniture & Fixtures	8,850,000
Transportation Equipment	7,200,000
Information Technology Equipment	47,700,000
<b>TOTAL</b>	<b>P 64,450,000</b>

This includes the procurement of IT systems, software, equipment in the total amount of P47,700,000 which shall be covered by the Authority's Information Systems Strategic Plan (ISSP) subject to the approval by the Department of Information and Communications Technology - Medium-Term Information and Communications Technology Harmonization Initiative (DICT-MITHI). Likewise, the purchase of motor vehicles amounting to P7,200,000 shall be subject to prior approval from the Department of Tourism (as its supervising body).

Notwithstanding the above-indicated variances in MOOE and CO, the PRA 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. Disbursement 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 No. 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 may be.
4. Disbursements for extraordinary and miscellaneous expenses (EME) and other MOOE expenditures shall be subject to the relevant provisions of the annual GAA, among others. The utilization of the Confidential and Intelligence Fund (CIF) shall be covered by a prior approval by the President of the Philippines before disbursement consistent with the provisions of Joint Circular No. 2015-1 dated January 8, 2015.

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5. Equipment outlays included in the Annual Procurement Program that require specific clearance/approval from the agencies concerned (e.g., DICT-MITHI) 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 Administrative Order (AO) No. 15 (amending AO No. 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 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 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:

  
**CARMENCITA P. MAHINAY**  
Director, BMB -C

Date: 6-23-18

Approved:

By Authority of the Secretary

  
**TINA ROSE MARIE L. CANDA**  
Undersecretary

COB No. C2-18-0040

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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