



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

CORPORATE OPERATING BUDGET

Fiscal Year 2019

TO: PHILIPPINE RETIREMENT AUTHORITY (PRA)

Your Corporate Operating Budget (COB) for Fiscal Year 2019 per approved Board Resolution No. 2, series of 2019 dated January 30, 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 of **FOUR HUNDRED TWENTY ONE MILLION TWENTY-ONE THOUSAND PESOS ONLY (P421,021,000.00)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 503,108,000	P 503,108,000	P -
Corporate Funds	503,108,000	503,108,000	-
TOTAL USES:	P 503,108,000	P 421,021,000	P (82,087,000)
Personnel Services (PS)	81,641,000	73,818,000	(7,823,000) a/
Maintenance and Other Operating Expenses (MOOE)	393,112,000	332,069,000	(61,043,000) b/
Capital Outlays (CO)	28,355,000	15,134,000	c/ (13,221,000)
Excess / (Shortfall)	P -	P 82,087,000	P 82,087,000

Footnotes:

a/ The PS variance refers to overprovision of the items enumerated below:

Basic Salary	5,048,000	} PS requirements of 8 vacant positions that not filled up within the year
Personnel Economic Relief Allowance	354,000	
Uniform/Clothing Allowance	66,000	
Year-end Bonus	500,000	
Life & Retirement Insurance Premium	605,000	
Employees Compensation Insurance Premium	18,000	
Pag-IBIG Contributions	18,000	
Cash Gift	76,000	
Productivity Enhancement Incentive	67,000	
Philhealth Contributions	15,000	
Mid-Year Bonus	846,000	} Based on actual payout
Representation and Transportation Allowance	210,000	
Total	P 7,823,000	} Computed in accordance with Sec. 59 of the General Provisions under Republic Act (RA) No. 11260, FY 2019 General Appropriations Act (GAA)

b/ MOOE level was computed considering actual/audited expenses for previous years, actual expenditures as of September 30, 2019 and the effects of inflation, details of variance as follows:

Particulars	Amount
Travelling Expenses	P 10,362,000
Transportation and Delivery Expenses	302,000

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Training and Scholarship Expenses	2,111,000
Supplies and Materials	5,747,000
Utility Expenses	293,000
Communication Expenses	1,990,000
Advertising Expenses	1,588,000
Representation Expenses	5,704,000
Printing and Publication Expenses	406,000
Subscription Expenses	32,000
Legal Services	45,000
Consultancy Services	7,591,000
Other Professional Services	11,444,000
Security Services	76,000
Repair and Maintenance	12,149,000
Taxes, Duties and Licenses	20,000
Insurance Expenses	4,000
Other MOOE	1,179,000
Total	P <u>61,043,000</u>

c/ CO level was based on the doable activities and projects of the Authority, broken down as follows:

<u>Particulars</u>	<u>Amount</u>
Buildings and Structures Outlay	5,594,000
Office Equipment, Furniture and Fixtures	2,449,000
Information Technology Equipment	7,091,000
Total	P <u>15,134,000</u>

Notwithstanding the above-indicated variances in PS, MOOE, and CO, the PRA has the flexibility to modify its utilization within the DBM-approved budget level, chargeable against corporate funds.

The approval of the COB shall be subject to the following conditions:

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 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 of the Office of the President (OP). 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 GP 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 items shall be subject to relevant provisions of the annual GAA, among others.
5. Equipment outlays included in the Annual Procurement Program that require specific clearance/approval from the agencies concerned, the same shall be secured before acquisition thereof. Examples: Department of Information and Communications Technology – Medium Term Information and Communications Technology Harmonization Initiative Steering Committee 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

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Department for motor vehicles. The acquisition/purchase of motor vehicle/s shall be in accordance with the provisions of, among others, Administrative Order (AO) No. 14 dated December 10, 2018; Budget Circular (BC) No. 2019-3 dated May 16, 2019; BC No. 2019-2 dated March 4, 2019; OP Memorandum Circular No. 9 dated December 14, 2010; BC No. 2010-2 dated March 1, 2010; and National Budget Circular (NBC) No. 446 dated November 24, 1995, as amended by NBC No. 446-A dated January 30, 1998. 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. Moreover, it is understood that the acquisition of motor vehicle/s shall be in accordance with the Government Procurement Reform Act (RA No. 9184) and its Implementing Rules and Regulations, as well as subject to the usual budgeting, accounting, auditing, and other applicable laws, rules and regulations.

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 and 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:

[Signature]
for: **CARMENCITA P. MAHINAY**
Director, BMB - C

Date: 11/19/2019

Approved by:

By Authority of the Secretary:

[Signature]
TINA ROSE MARIE L. CANDA
Undersecretary

COB No. C2-19-0048

cc: The Chairman
Board of Trustees, PRA

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

The Resident Auditor
COA - PRA

Department of Budget and Management
BTS



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