



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

CORPORATE OPERATING BUDGET (COB)

Fiscal Year (FY) 2020

TO: PHILIPPINE RECLAMATION AUTHORITY (PRecA)

Your COB for FY 2020 per approved Secretary's Certificate of Resolution No. 5114 signed on March 20, 2020 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 and as reiterated in Corporate Budget Circular (CBC) No. 22 dated December 1, 2016, is hereby approved for a total of **SEVEN BILLION SIX HUNDRED THREE MILLION THREE HUNDRED FORTY-FOUR THOUSAND PESOS ONLY (P7,603,344,000)**, details of which are shown below:

Particulars	Proposal (a)	Approved (b)	Variance (c=a-b)
TOTAL SOURCES:	P 8,617,887,000	P 8,617,887,000	P -
Corporate Income	1,850,480,000	1,850,480,000	-
Retained Earnings	6,767,407,000	6,767,407,000	-
TOTAL USES:	P 8,617,887,000	P 7,603,344,000	P (1,014,543,000)
Personnel Services (PS)	371,970,000	273,899,000	(98,071,000) a/
Maintenance and Other Operating Expenses (MOOE)	497,455,000	b/ 382,333,000	(115,122,000) c/
Capital Outlays (CO)	5,743,537,000	d/ 4,942,187,000	(801,350,000)
Others:			
Corporate Income Tax	1,184,018,000	1,184,018,000	-
Dividends to the National Government	820,907,000	820,907,000	-
Excess/(Shortfall)	P -	P 1,014,543,000	P (1,014,543,000)

Particulars	Amount	Remarks
a/ The variance refers to the following:		
Basic Salary	P 4,186,000	Rates computed based on the 4th tranche of SSL 4 per E.O. No. 201. The PRA is covered by R.A. No. 10149, thus is excluded from the coverage of Salary Standardization Act of 2019 or SSL 5
Mid Year Bonus	358,000	
Year End Bonus	358,000	
Retirement and Life Insurance Premiums	503,000	
Productivity Enhancement Incentive	12,498,000	- Based on prescribed rates x no. of authorized positions
Representation Allowance and Transportation Allowance (RATA)	972,000	- Rates based on Section 54 of the GP of the FY 2020 GAA, R.A. No. 11465
Anniversary Bonus	580,000	- PRA was established on February 4, 1977, hence, 2020 is not a milestone year
Honoraria (Bids and Awards Committee members)	468,000	- To be charged against savings per Budget Circular (BC) No. 2007-3
Meal Allowance	5,125,000	} Recommendation was based on FY 2018 audited; Officials/personnel granted these allowances are incumbents as of July 1, 1989, consistent with Letter of Implementation No. 97, s. 1979
Rice Allowance	4,390,000	
Medical Benefits	14,448,000	

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PRAISE	17,713,000	- To be charged against savings, per CSC Resolution No. 010112, s. 2001 and CSC MC No. 1, s. 2001, respectively
Overtime Pay	773,000	} Recommendation was based on FY 2018 audited
Other Bonuses and Allowances	14,500,000	
Collective Negotiations Agreement (CNA) Incentive	7,250,000	
Organizational Performance Based Bonus	13,948,000	To be charged against savings per Section 71, GP of FY 2020 GAA, RA No. 11465
Total	P 98,071,000	No provision under E.O. 23 s. 2016

b/ Net of non-cash expenses

Particulars	Amount	Remarks
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c/ The MOOE level was computed considering actual/audited expenses for the previous years and the effects of inflation, except for items covered by contracts and Auditing Services which was based on the Commission on Audit (COA) assessment cost of audit fees. Details of variance as follows:

Training Expenses	P 34,919,000
Utility Expenses	1,469,000
Communication Expenses	4,049,000
Survey Expenses	3,156,000
Repair and Maintenance Expenses	25,727,000
Printing and Publication Expenses	2,491,000
Representation Expenses	3,519,000
Donations	771,000
Other MOOE	39,022,000
Total	P 115,122,000

d/ CO is intended to the following:

Buildings and Other Structures Outlay	9,580,000
Infrastructure Outlay	401,000,000
Furniture, Fixtures and Books Outlay	788,000
Machinery and Equipment Outlay	52,609,000
Transportation Equipment Outlay*	26,740,000
Other Capital Outlay	4,451,470,000
Various Reclamation Projects	3,067,040,000
Legal Cases Claims	1,321,808,000
Other Payables	62,622,000
Total	P 4,942,187,000

*The purchase of transportation equipment shall be consistent with the following guidelines:

- Per Administrative Order (AO) No. 14 dated December 10, 2018, the proposed acquisition of motor vehicles is approved by the Department of Budget and Management through the attached Authority to Purchase Motor Vehicle (APMV No. C-20-0038).

The proposed acquisition of a watercraft shall be acted upon separately upon submission of necessary supporting documents. The purchase of said motor vehicle needs prior approval from the Office of the President consistent with Section 5(d) of AO No. 14.

- Procuring entities may undertake their own procurement of motor vehicles pursuant to GPPB Resolution No. 20-2019.

Notwithstanding the above indicated variances in PS, MOOE and CO, the PRecA has the flexibility to modify its utilization within the DBM-approved budget level for each allotment class for items funded out of corporate funds.

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The following conditions shall be observed and complied with:

1. All expenditures, whether for current operating expenditures or CO, shall be made within the limits of available funds realized from corporate receipts and authorized corporate borrowings.
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). Disbursements for PS shall strictly observe pertinent compensation laws, rules and regulations, including Executive Order (EO) Nos. 7 (s. 2010), 24 (s. 2011), 203 (s. 2016) and 36 (s. 2017). Such expenditures shall be subject to relevant conditions under General Provision of FY 2020 GAA or any specific law or approval of the President of the Philippines or Secretary of Budget and Management, as the case maybe.
4. Disbursements for Extraordinary and Miscellaneous Expenses (EME) and other MOOE expenditures shall be subject to the relevant provision of the annual GAA, among others.
5. Equipment outlays included in the Annual Equipment Procurement Program that require specific clearance/approval from the departments/agencies concerned (e.g., Department of Information and Communications Technology (DICT) - ICT Office (ICTO), particularly for MITHI Steering Committee, for information technology equipment and OP/DBM/Supervising Department for procurement of motor vehicles), the same shall be secured before acquisition thereof in accordance with CBC No. 17 dated February 9, 1996, BC No. 2017-1 dated April 26, 2017, respectively, OP Memorandum Circular No. 9 dated December 14, 2010, and Administrative Order (AO) 15 dated May 25, 2011, and AO No. 14 dated December 10, 2018, as implemented under BC No. 2019-2 dated March 4, 2019.
7. 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.
8. 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.
9. 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.
10. 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:

- Original signed -

CARMENCITA P. MAHINAY
Director, BMB-C

Approved:

By Authority of the Secretary

- Original signed -

TINA ROSE MARIE L. CANDA
Undersecretary

Date: 9/7/20

COB No. **C3-2020-0006**

cc: The Chairman
Board of Directors, PReCA

The Head, Corporate Sector
COA - Central Office
COA Building, Quezon City

The Resident Auditor
COA - PRA