



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

PHILIPPINE RECLAMATION AUTHORITY  
**RECEIVED**  
**SEP 21 2021**  
 OFFICE OF THE GM & CEO  
 BY: Mona TIME: 11:24 AM

**CORPORATE OPERATING BUDGET**  
 Fiscal Year (FY) 2021

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

Your Corporate Operating Budget (COB) for FY 2021 per approved Secretary's Certificate of Resolution No. 5272 signed on March 11, 2021 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 **SIX BILLION THREE HUNDRED NINETY-SEVEN MILLION FOUR HUNDRED TWENTY-SIX THOUSAND PESOS ONLY (P6,397,426,000)**, details of which are shown below:

Particulars	Proposal (a)	Approved (b)	Variance (c=a-b)
<b>TOTAL SOURCES:</b>	P <u>9,138,986,000</u>	P <u>9,138,986,000</u>	P <u>-</u>
Corporate Income	3,192,355,000	3,192,355,000	-
Retained Earnings	5,946,631,000	5,946,631,000	-
<b>TOTAL USES:</b>	P <u>9,138,986,000</u>	P <u>6,397,426,000</u>	P <u>(2,741,560,000)</u>
Personnel Services (PS)	380,197,000	239,556,000	(140,641,000) a/
Maintenance and Other Operating Expenses (MOOE)	655,722,000	458,232,000	(197,490,000) c/
Capital Outlays (CO)	6,130,898,000	3,727,469,000	d/ (2,403,429,000)
Others:			
Corporate Income Tax	321,485,000	321,485,000	-
Dividends to the National Government	1,650,684,000	1,650,684,000	-
<b>Excess/(Shortfall)</b>	P <u>-</u>	P <u>2,741,560,000</u>	P <u>(2,741,560,000)</u>

Particulars	Amount	Remarks
a/ The variance refers to the following:		
Basic Salary	P 30,109,000	For 256 positions (179 filled and 77 for filling up). 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	2,501,000	
Year End Bonus	2,501,000	
Retirement and Life Insurance Premiums	3,613,000	
Personnel Economic Relief Allowance	816,000	
Productivity Enhancement Incentive	13,040,000	
Uniform/Clothing Allowance	204,000	
Cash Gift	170,000	
Employee Compensation Insurance Premiums	41,000	
Pag-IBIG Contributions	41,000	
PhilHealth Contributions	449,000	- Rates based on Item V of PhilHealth Circular No. 2019-009 dated October 25, 2019
Representation Allowance and Transportation Allowance (RATA)	3,330,000	- Rates based on Section 56 of the GP of the FY 2021 GAA
Anniversary Bonus	1,450,000	- PRA was established on February 4, 1977, hence, 2021 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
Children's Allowance	7,000	Recommendation was based on FY 2020 actual; Officials/personnel granted these allowances are incumbents as of July 1, 1989, consistent with Letter of Implementation No. 97, s. 1979
Meal Allowance	5,147,000	
Rice Allowance	4,460,000	
Medical Benefits	14,465,000	
PRAISE	18,105,000	- To be charged against savings, per CSC Resolution No. 010112, s. 2001 and CSC MC No. 1, s. 2001, respectively
Overtime Pay	754,000	- Recommendation was based on FY 2020 actual
Service Recognition Incentive	2,900,000	- No legal basis

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Collective Negotiations Agreement (CNA)	7,250,000	- To be sourced from allowable MOOE, per Section 73 of FY 2021 GAA
Incentive		
Organizational Performance Based Bonus	14,320,000	- No provision under E.O. 23 s. 2016
Incentive Bonus	14,500,000	- No legal basis
<b>Total</b>	<b>₱ 140,641,000</b>	

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:

Travelling Expense	₱ 59,444,000	
Training Expenses	40,725,000	
Supplies and Materials Expenses	15,388,000	
Fuel, Oil and Lubricants Expenses	6,234,000	
Utility Expenses	2,565,000	
Communication Expenses	4,875,000	
Extraordinary and Miscellaneous Expenses	163,000	- Rates based on Section 44 of the GP of the FY 2021 GAA
Auditing Services	926,000	- Based on COA's FY 2021 Assessment/Cost of Audit Fees for GOCCs
Repair and Maintenance Expenses	37,331,000	
Printing and Publication Expenses	2,688,000	
Representation Expenses	4,027,000	
Donations	844,000	
Documentary Stamp Expenses	200,000	
Gender and Development Program	3,200,000	- For integration in the regular activities of the agencies per Section 32 of the GP of the FY 2021 GAA
Senior Citizens and Disabled Program	500,000	- For integration in the regular activities of the agencies per Section 33 of the GP of the FY 2021 GAA
Other MOOE	18,380,000	
<b>Total</b>	<b>₱ 197,490,000</b>	

d/ CO is intended to the following:

Investment Property Outlay	₱ 1,673,521,000
Buildings and Other Structures Outlay	155,339,000
Infrastructure Outlay	636,000,000
Furniture, Fixtures and Books Outlay	1,388,000
Machinery and Equipment Outlay a/	86,388,000
Transportation Equipment Outlay b/	26,740,000
Inventory Outlay	1,066,583,000
Loans Outlay a/	79,600,000
Intangible Asset Outlay a/	1,910,000
<b>Total</b>	<b>₱ 3,727,469,000</b>

a/ With provisions for Information and Communication Technology (ICT) equipment which shall be covered by the PRA's Information Systems Strategic Plan, subject to the approval by the Department of Information and Communications Technology (DICT), specifically the Medium-Term ICT Harmonization Initiative Steering Committee.

b/ Authority to Purchase Motor Vehicles (MVs) will be reissued to the PRA for the MVs that were not procured in FY 2020 and re-budgeted in FY 2021.

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.

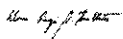
**Notwithstanding the above-indicated variance in PS, MOOE and CO, the PRA has the flexibility to modify its utilization within the DBM-approved budget level for items funded out of corporate funds.**

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

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 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 by the Office of the President (OP) of the Philippines. 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 Government-Owned or -Controlled Corporations (GOCCs) covered by RA No. 10149. Such expenditures shall be subject to relevant conditions under the General Provisions 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 Extraordinary and Miscellaneous Expenses (EME) and other MOOE expenditures shall be subject to the relevant provision of the annual GAA, among others.
5. For equipment outlays included in the Annual Procurement Program that require specific clearance/approval from the agencies concerned, the same shall be secured before the acquisition thereof. Examples: DICT 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 Department for the purchase of MVs, in accordance with Corporate Budget Circular No. 17 dated February 9, 1996, Administrative Order (AO) No. 14 dated December 10, 2018; Budget Circular (BC) No. 2019-2 dated March 4, 2019; OP Memorandum Circular No. 9 dated December 14, 2010. Further, the classification/s and specifications of subject MV shall be consistent with the provisions of BC No. 2019-3, BC No. 2019-2 and Annex B of BC No. 2017-1, 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. 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:**

  
Digitally signed by  
Elena Regina S.  
Brillantes  
**ELENA REGINA S. BRILLANTES**  
OIC-Director, BMB-C

**Approved:**

  
**TINA ROSE MARIE L. CANDIA**  
Officer-in-Charge, DBM



Date: SEP 14 2021

COB No. **C2-2021-0014**

cc: The Chairman  
Board of Directors, PRA

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

The Resident Auditor  
COA - PRA