



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

CORPORATE OPERATING BUDGET
 Fiscal Year 2020

OBJECT: DEVELOPMENT ACADEMY OF THE PHILIPPINES (DAP)

Your Corporate Operating Budget (COB) for Fiscal Year 2020 per Board Resolution No. 007 s. 2020 dated August 26, 2020, 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 **ONE BILLION TWENTY-FOUR MILLION ONE HUNDRED NINETY-SEVEN THOUSAND PESOS ONLY (P1,024,197,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 1,077,382,000	P 1,077,382,000	P -
Corporate Funds	240,172,000	240,172,000	-
General Fund/NG Support	837,210,000	837,210,000	-
TOTAL USES:	P 1,226,368,000	P 1,024,197,000	P (202,171,000)
Personal Services (PS)	361,107,000	351,849,000	(9,258,000) a/
Maintenance & Other Operating Expenses (MOOE)	618,686,000	b/ 425,773,000	(192,913,000) c/
Capital Outlays (CO)	246,575,000	246,575,000	d/ -
Excess	P <u>(148,986,000)</u>	P <u>53,185,000</u>	P <u>202,171,000</u>

Footnotes:

a/ The PS variance refers to the following:

Basic Salary - Regular	P 2,057,000	Rates computed based on the 4th tranche SSL4 per EO 201. DAP is covered by RA 10149, which is excluded from the Rates based on FY 2020 GAA
Basic Salary - Co-terminus	4,918,000	
RATA	102,000	
Mid-Year Bonus	633,000	
Year-End Bonus and Cash Gifts	633,000	
Philhealth Contributions	78,000	
Life & Retirement Insurance Premium	837,000	
Total	P <u>9,258,000</u>	- Based on 12% of salaries

b/ Proposed and recommended MOOE level excludes non-cash items of P30.437 million representing depreciation (P30.403 million) and Loss on Foreign Exchange (P0.034 million)

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. Details of variance as follows:

Trading and Production	P 190,485,000	Subsidy for DAP's locally-funded projects i.e. construction and maintenance projects, IT infrastructure were also presented under CO.
Communication Expense	222,000	
Advertising & Promotional Expense	1,024,000	
Repair and Maintenance Expense	980,000	
Delivery Expense and Other MOOE	202,000	
Total	P <u>192,913,000</u>	

d/ The recommended Capital Outlay (CO) level is broken down as follows:

Investment Outlay	P 20,000,000
Furnitures, Fixtures and Equipment	11,800,000
Information Technology Equipment*	33,300,000
Building Facilities Repairs and Improvement	181,475,000
TOTAL	P <u>246,575,000</u>

Notwithstanding the above indicated variances in PS and MOOE, the DAP 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 NG budgetary support, Section 70 of the General Provisions of RA No. 11465 on the rules on the modification in the allotment shall apply.

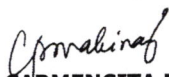
Further, the following conditions shall be observed and complied with:

- 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.

TO: DEVELOPMENT ACADEMY OF THE PHILIPPINES (DAP)


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 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 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.
5. Equipment Outlays included in the Annual Procurement Program that require specific clearance/approval from the Agencies concerned (e.g. Department of Information and Communications Technology for procurement of information and communication technology equipment covered by the GOCC's Information System Strategic Plan) shall be secured prior to the acquisition thereof. On the other hand, the acquisition of MVs shall be in accordance with the provisions of, among others, Administrative Order No. 14 dated December 10, 2018; Budget Circular No. 2019-3 dated May 16, 2019; BC No. 2019-2 dated March 4, 2019, and Office of the President Memorandum Circular No. 9 dated December 14, 2010.
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 A.O. 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 292.

Recommending Approval:


CARMENCITA P. MAHINAY
Director, BMB - C

Approved:

By Authority of the Secretary


TINA ROSE MARIE L. CANDAL
Undersecretary

Date: Dec. 03, 2020

COB No. C3-20-0031

cc: The Chairman
Board of Trustees, DAP

The Assistant Commissioner, Corporate Sector
Commission on Audit (COA) - Central Office
COA Building, Quezon City

The Resident Auditor
COA - DAP