



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

CORPORATE OPERATING BUDGET
 Fiscal Year 2019

TO: DEVELOPMENT ACADEMY OF THE PHILIPPINES (DAP)

Your Corporate Operating Budget (COB) for Fiscal Year 2019 per Corporate Secretary's Certificate dated June 28, 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 **ONE BILLION FOUR HUNDRED TWENTY-TWO MILLION EIGHT HUNDRED FIFTY-NINE THOUSAND PESOS ONLY (P1,422,859,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 2,047,791,326	P 2,047,791,326	P -
Corporate Funds	1,128,661,326	1,128,661,326	-
General Fund/NG Support	919,130,000	919,130,000	-
TOTAL USES:	P 1,697,211,000	P 1,422,859,000	P (274,352,000)
Personal Services (PS)	358,194,000	355,142,000	(3,052,000) a/
Maintenance & Other Operating Expenses (MOOE)	923,122,000	688,708,000	(234,414,000) c/
Capital Outlays (CO)	415,895,000	379,009,000	(36,886,000) d/
Excess	P 350,580,326	P 624,932,326	P 274,352,000

Footnotes:

a/ The variance on PS of P5,938,000 represents overprovision for the following items:

Mid-Year Bonus	98,000
Year-End Bonus and Cash Gifts	98,000
RATA	2,856,000
Total	P 3,052,000

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 based on approval of 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.

b/ Recommended MOOE level excludes non-cash items of P34.212 million representing depreciation (P34.094 million), Doubtful Accounts (P0.079 million), Loss on Foreign Exchange (P0.034 million), and amortization (P0.005 million).

c/ The MOOE level was computed considering actual/audited expenses in previous years and the effects of inflation or proposal whichever is higher. details of variance as follows:

Trading/Production	P 221,342,000	Subsidy for DAP's construction project that was inadvertently categorized under MOOE.
Utilities Expense	4,893,000	
Supplies and Materials	2,780,000	
Communication Expense	1,782,000	
Advertising & Promotional Expense	1,285,000	
Repair and Maintenance Expense	1,766,000	
Delivery Expense and Other MOOE	449,000	
Extraordinary & Miscellaneous Expense	117,000	
Total	P 234,414,000	

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

Investment Outlay	P 11,000,000
Furnitures, Fixtures and Equipment	10,336,000
Information Technology Equipment*	21,652,000
Motor Vehicles**	8,997,000
Building Facilities Repairs and Improve	327,024,000
TOTAL	P 379,009,000

*The procurement of Information Technology Equipment shall be consistent with the Department of Information and Communications Technology (DICT)-approved Information Systems Strategic Plan (ISSP).

**For the amount of P8.997 Million intended for the purchase of four (4) units of motor vehicles (MVs), a request for Authority to Purchase MV was forwarded to the Office of the President (OP) as the approving authority of the DAP. This is pursuant to Section 4.6 of Budget Circular No. 2019-2 dated March 4, 2019, which states that the request for the acquisition of MVs by the OP and Other Executive Offices shall be submitted to the Secretary of Budget and Management for evaluation and recommendation to the OP.

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

1. Per Administrative Order (AO) No. 14 dated December 10, 2018, the proposed acquisition of MVs shall be approved by the Department of Budget and Management through an Authority to Purchase Motor Vehicle subject to prior approval from the Office of the President, as the

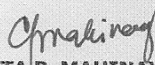
2. Procuring entities may undertake their own procurement of MVs pursuant to GPPB Resolution No. 20-2019 which delisted the MVs from the list Use Supplies and Equipment to be procured thru the Procurement Service.

Notwithstanding the above indicated variances in PS, MOOE and CO, the Academy has the flexibility to modify its utilization within the DBM-approved budget level 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:

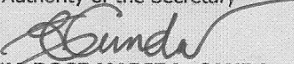
1. All expenditures, whether for current operating expenditures or COs, shall be made within the limits of available funds realized from corporate receipts, authorized corporate borrowings and National Government budgetary support either in the form of subsidy, equity or loans outlay.
2. Any increase 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 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
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
11-8-19

Approved:

By Authority of the Secretary


TINA ROSE MARIE L. CANDA
Undersecretary

Date:

COB No. C3-19-0028

cc: The Chairman
Board of Trustees, DAP

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

The Resident Auditor
COA - DAP

Department of Budget and Management
BTS



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