



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

CORPORATE OPERATING BUDGET

Fiscal Year 2021

TO: DEVELOPMENT ACADEMY OF THE PHILIPPINES (DAP)

Your Corporate Operating Budget (COB) for Fiscal Year 2021 per Board Resolution No. 010 s. 2021 dated August 18, 2021, 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 THREE HUNDRED THIRTY-EIGHT MILLION NINE HUNDRED SEVEN THOUSAND PESOS ONLY (P1,338,907,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 1,368,036,000	P 1,368,036,000	P -
Corporate Funds	253,460,000	253,460,000	-
General Fund/NG Support	1,114,576,000	1,114,576,000	-
TOTAL USES:	P 1,824,649,000	P 1,338,907,000	P (485,742,000)
Personnel Services (PS)	369,037,000	363,018,000	(6,019,000) a/
Maintenance & Other Operating Expenses (MOOE)	909,043,000	429,320,000	(479,723,000) c/
Capital Outlays (CO)	546,569,000	546,569,000	-
Excess	P (456,613,000)	P 29,129,000	P 485,742,000

Footnotes:

a/ The PS variance refers to the following:

Basic Salary - Regular	P 3,041,000	Variance pertains to proposed adjustments to 2nd Tranche of Salary Standardization Law of 2019 Overprovision, based on the prescribed rates x number of authorized positions Overprovision based on 12% of basic salaries
Mid-Year Bonus	1,436,000	
Year-End Bonus	1,436,000	
Life & Retirement Insurance Premium	106,000	
Total	P 6,019,000	

b/ Proposed and recommended MOOE level excludes non-cash items of P17.199 million.

c/ The MOOE level was computed considering actual/audited expenses for the previous years, the actual expenses as of June 2021 plus July to December estimates, and the effects of inflation, with details of variance as follows:

Trading and Production	P 476,390,000	Pertains to the requirements for DAP's locally-funded projects funded by National Government which were also presented under CO.
Training and Scholarship Expenses	1,083,000	
Membership Dues and Contributions	95,000	
Printing and Publication	138,000	
Supplies and Materials	54,000	
Donations and Subsidies	136,000	
Repair and Maintenance Expense	1,341,000	
Delivery Expense and Other MOOE	486,000	
Total	P 479,723,000	

d/ The recommended CO level is broken down as follows:

Investment Outlay	P 10,000,000
Building and Other Structures Outlay	474,340,000
Transportation Equipment Outlay*	8,000,000
Furniture, Fixtures, Equipment & Books Outlay	15,562,000
Information and Communication Technology	
Equipment	38,667,000
TOTAL	P 546,569,000

*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 mini bus is approved by the Department of Budget and Management through the attached Authority to Purchase Motor Vehicle No. C-21-0060.

The purchase of Multi-Purpose Vehicle and Sports Utility Vehicle needs prior approval from the Office of the President consistent with Section 5(d) of AO No. 14.

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

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 items funded out of corporate funds. In the case of those funded out of NG budgetary support, Section 72 of the General Provisions of RA No. 11518 on the rules on the modification in allotment shall apply.

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Further, 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 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:

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

Approved:


TINA ROSE MARIE L. CANDA
Officer-in-Charge, DBM



Date: **OCT 01 2021**

COB No. C2-21-0026

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