



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

CORPORATE OPERATING BUDGET

Fiscal Year 2021

TO: PHILIPPINE CENTER FOR ECONOMIC DEVELOPMENT (PCED)

Your Corporate Operating Budget (COB) for FY 2021 per approved PCED Board Resolution No. 6 dated May 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 amount of **EIGHTY-ONE MILLION FOUR HUNDRED THIRTY-TWO THOUSAND PESOS ONLY (P81,432,000.00)**, details of which are shown below:

PARTICULARS	PROPOSAL		APPROVED		VARIANCE (c=b-a)
	(a)	(b)	(b)	(c)	
TOTAL SOURCES	P 84,083,000	P 84,083,000			
Corporate Funds	8,307,000	8,307,000			-
National Government (NG) Subsidy	57,366,000	57,366,000			-
FY 2020 Continuing Appropriation	18,410,000	18,410,000			-
TOTAL USES	P 84,083,000	P 81,432,000	P (2,651,000)		
Personnel Services (PS)	4,307,000	4,307,000			-
Maintenance & Other Operating Expenses (MOOE)	48,835,000	46,184,000			(2,651,000) a/
Capital Outlays (CO)	30,941,000	30,941,000			- b/
Excess/Shortfall	P -	P 2,651,000	P 2,651,000		

Footnotes:

a/ The recommended MOOE level was computed considering audited/actual expenses for the previous years and the effects of inflation, as well as the actual as of July 2021 plus August to December estimates. Breakdown of the variance are as follows:

Particulars	Amount
Training Expenses	P 11,000
Utility Expenses	13,000
Office Supplies Expenses	757,000
Postage and Deliveries	4,000
Subscription Expenses	400,000
Representation Expenses	10,000
Auditing Services	565,000
Repair and Maintenance-Gov't. Vehicles	864,000
Miscellaneous Expenses	27,000
Total	P 2,651,000

Based on COA billing

b/ The recommended CO is composed of the following:

Particulars	Amount
MIS Upgrading	20,941,000
Building and Structures Outlay	10,000,000
Total	P 30,941,000

The recommended level is pertains to the ICT equipment intended for the enhancement, integration and development of PCED's Information Systems that will handle and manage PCED and University of the Philippines -School of Economics relevant processes such as enrollment, human resources, among others. The recommended amount of P10.000 million is a portion of the Congress-Introduced Adjustment which is already approved by the OP on February 18, 2021, intended for the rehabilitation of the PCED building.

Notwithstanding the above-indicated variance in MOOE, the PCED still 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 (GPs) of Republic Act No. 11518 on the rules on the modification in allotment shall apply.



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The following conditions shall be observed and complied with:


1. All expenditures, whether for current operating expenditures or for COs, shall be made within the limits of available funds realized from corporate receipts, authorized corporate borrowings and NG 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 OP. Disbursements 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 also be subject to relevant conditions under the GPs 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 provisions 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, shall be secured before acquisition thereof. Examples: Department of Information and Communications Technology 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 motor vehicles (MV), in accordance with Corporate Budget Circular No. 17 dated February 9, 1996, Administrative Order 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 motor vehicle/s shall be consistent with the provisions of 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 case when 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 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 292.

Recommending Approval:

Digitally signed by
 Elena Regina S.
 Brillantes

ELENA REGINA S. BRILLANTES
 OIC-Director, BMB-C

Approved by:


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



cc: **The Chairman**
 Board of Trustees, PCED

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

The Resident Auditor
 COA - PCED

COB No. C2-21-05421

Date: SEP 30 2021