



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
BONCODIN HALL, GEN. SOLANO ST., SAN MIGUEL, MANILA

CORPORATE OPERATING BUDGET

Calendar Year 2016

TO: PHILIPPINE RICE RESEARCH INSTITUTE (PhilRice)

Your Corporate Operating Budget (COB) for Calendar Year 2016 per approved PhilRice Special Board Resolution No. 2016-001 dated October 18, 2016, submitted pursuant to Section 6 of Executive Order (E.O.) No. 518, series of 1979 and Section 19, Chapter 3, Book VI of E.O. No. 292, series of 1987, is hereby approved for a total of **FIVE HUNDRED NINETY MILLION NINE HUNDRED FORTY ONE THOUSAND PESOS ONLY (P 590,941,000)** details of which are shown below:

| PARTICULARS | PROPOSAL | APPROVED | VARIANCE |
|---|----------------------|----------------------|-----------------------|
| | (a) | (b) | (c=b-a) |
| TOTAL SOURCES: | P 629,757,000 | P 629,757,000 | P - |
| Corporate Funds | 111,757,000 | 111,757,000 | - |
| National Government subsidy | 518,000,000 | 518,000,000 | - |
| TOTAL USES: | P 629,757,000 | P 590,941,000 | P (38,816,000) |
| Personnel Services (PS) | 165,976,000 | 165,220,000 | (756,000) a/ |
| Maintenance and Other Operating Expenses (MOOE) | 363,224,000 | 325,164,000 | (38,060,000) b/ |
| Capital Outlays (CO) | 100,557,000 | 100,557,000 | c/ - |
| Excess/(Shortfall) | P - | P 38,816,000 | P 38,816,000 |

Footnotes:

a/ The variance of P756,000 refers to overprovision of the following:

| Particulars | Amount | Remarks |
|---|------------------|---|
| • Salaries, Regular | P 378,000 | - Overprovision for 269 filled positions |
| • Midyear and Year-End Bonus | 63,000 | - Limited to two months salary only |
| • Retirement and Life Insurance Premium | 45,000 | - 12% of the annual salaries |
| • Philhealth Contributions | 270,000 | - Computed per DBM Circular Letter 2012-12 dated June 29, 2012. |
| TOTAL | P 756,000 | |

b/ MOOE variance of P38,060,000 level was computed considering the actual/audited expenses for the previous years and effects inflation.

c/ CO is composed of the following:

| | |
|---|----------------------|
| Land and Land Improvements Outlays | P 1,100,000 |
| Building and Structures Outlay | 66,107,000 |
| Office Equipment, Furnitures and Fixtures | 9,246,000 |
| Machineries and Equipment Outlay | 21,104,000 |
| Transportation Equipment | 3,000,000 |
| TOTAL | P 100,557,000 |

The purchase of three (3) motor vehicles needs prior approval from the Office of the President (OP)/ DBM or Supervising Department, as the case maybe. This will be acted upon separately.

The approval of the COB shall be subject to the following conditions:

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. Disbursements for personnel amelioration/benefit shall be subject to the pertinent compensation laws, rules and regulations, including E.O. Nos. 7 and 24 dated September 8, 2010 and February 10, 2011, respectively. Such expenditures shall also be conditioned on the relevant General Provisions of R.A. No. 10717, the FY 2016 GAA (ex. Representation and Transportation Allowances under Section 59, General Provisions), or any specific law or approval of the President of the Philippines or Secretary of Budget and Management, as the case maybe.
3. Disbursements for Extraordinary and Miscellaneous Expenses shall be subject to Section 47, General Provisions of R.A. No. 10717.

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4. For equipment items per Annual Equipment Procurement Program that require specific clearance/approval from the Agencies concerned (ex. National Computer Center for information technology equipment and Office of the President/Department of Budget and Management/Supervising Department for motor vehicles), the same shall be secured before acquisition thereof in accordance with Corporate Budget Circular No. 17 dated February 9, 1996, National Budget Circular Nos. 446 and 446-A dated November 24, 1995 and January 30, 1998, respectively, Budget Circular No. 2010-2 dated March 1, 2010, Administrative Order (A.O.) No. 233 dated August 1, 2008, Office of the President Memorandum Circular No. 9 dated December 14, 2010, A.O. No. 15 dated May 25, 2011, and Budget Circular No. 2016-5 dated August 22, 2016, among others.
5. The fiscal discipline measures prescribed under A.O. No. 103 dated August 31, 2004 shall be observed.
6. 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.
7. The pertinent laws, rules and regulations including those on compensation, procurement, budgeting, accounting and auditing shall be strictly followed. Compliance with all existing laws, rules and regulations shall be the responsibility of the implementing government corporation.

Recommending Approval:


LORENZO C. DRAPETE
Director, BMB - C

Approved:

By Authority of the Secretary:


LUZ M. CANTOR
Undersecretary

Date: DEC 28 2016

COB No. C1-16-0065

cc: The Chairman
Board of Directors, PhilRice

Assistant Commissioner Lourdes M. Castillo
Commission on Audit (COA) - Central Office
COA Building, Quezon City

The Resident Auditor
COA - PhilRice

Department of Budget and Management
BTS



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