



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

CORPORATE OPERATING BUDGET
 Calendar Year 2017

TO: PHILIPPINE CROP INSURANCE CORPORATION (PCIC)

Your Corporate Operating Budget (COB) for Calendar Year 2017 per approved PCIC Board Resolution Nos. 2017-021 and 2017-059 dated March 30, 2017 and August 30, 2017, respectively, 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 **TWO BILLION NINE HUNDRED NINETY TWO MILLION TWO HUNDRED TWELVE THOUSAND PESOS ONLY (₱2,992,212,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	₱ 3,030,728,000	₱ 3,030,728,000	₱ -
Corporate Funds	530,728,000	530,728,000	-
National Government subsidy	2,500,000,000	2,500,000,000	-
TOTAL USES:	₱ 3,028,464,000	₱ 2,992,212,000	₱ (36,252,000)
Personnel Services (PS)	277,523,000	271,297,000	(6,226,000) a/
Maintenance and Other Operating Expenses (MOOE)	343,188,000	313,162,000	(30,026,000) b/
Capital Outlays (CO)	247,216,000	247,216,000	c/ -
Underwriting Expenses	2,160,537,000	2,160,537,000	d/ -
Excess/(Shortfall)	₱ 2,264,000	₱ 38,516,000	₱ 36,252,000

Footnotes:

a/ The variance of ₱6,226,000 refers to overprovision for the following:

Particulars	Amount	Remarks
• Performance Enhancement Incentive	₱ 1,235,000	- Excess computation for 247 positions at ₱5,000/year/employee
• Representation and Transportation Allowance	1,104,000	- Computed in accordance with Sec. 54 of the General Provisions of Republic Act No. 10924
• Anniversary Bonus	2,470,000	- Given to employees per milestone year, 2017 is not a milestone year
• Medical/Dental/Optical Allowance	1,385,000	- Excess computation
• Philhealth Contributions	32,000	- Computed at ₱5,000 per year for 215 positions
TOTAL	₱ 6,226,000	

b/ MOOE level of ₱313,162,000 was computed considering the actual/audited expenses for the previous years and effects of inflation

c/ CO is composed of the following:

Building and Structures Outlay	₱ 140,500,000
Investment Outlays	27,439,000
Leasehold Improvement	16,040,000
Land and Land Improvements	5,000,000
Furnitures, Fixtures, Equipment and Books Outlay	13,772,000
Transportation Outlay	32,600,000
Information Technology	11,865,000
TOTAL	₱ 247,216,000

The purchase of 16 motor vehicles and 39 motorcycles needs prior approval from the Office of the President (OP)/ DBM or Supervising Department, as the case maybe. This will be acted upon separately.

d/ Refers to Claims/Indemnities and Underwriting Expenses based on actuarial valuation of future claims/indemnities.

This approval shall not be construed as an authorization for specific expenditure items under PS which requires prior approval of the OP. Further, the following conditions shall be observed and complied with:

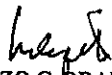
- All expenditures, whether for current operating expenditures or for COs, shall be made within the limits of available funds realized from corporate receipts, authorized corporate borrowings and National Government budgetary support either in the form of subsidy, equity or loans outlay.

TO: PHILIPPINE CROP INSURANCE CORPORATION (PCIC)

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. 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 203 as amended by EO 36, for GOCCs covered by RA 10149. Such expenditures shall also 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 or Secretary of Budget and Management or the GCG, as the case maybe.
4. Disbursements for Extraordinary and Miscellaneous Expenses shall be subject to relevant provision of the annual GAA.
5. Equipment outlays included in the Annual Procurement Program that require specific clearance/approval from the Agencies concerned (ex. Information and Communications Technology Office (DICT-ICTO) 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, Budget Circular No. 2017-1 dated April 26, 2017, amending Budget Circular No. 2016-5 dated August 22, 2016, Administrative Order (A.O.) No. 15 dated May 25, 2011, amending AO No. 233 dated August 1, 2008, Office of the President Memorandum Circular No. 9 dated December 14, 2010, among others.
6. Electronic payment shall be observed in the disbursement of corporate and public funds. In cases when the adoption is impracticable, GOCC shall be allowed to continue with the existing payment scheme.
7. 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.

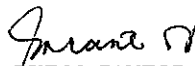
Any and all officials or employees who will authorize, allow or permit, as well as those who are negligent in the performance of their duties and functions which resulted in the incurrence or payment of unauthorized and unlawful obligation or expenditure shall be personally liable to the government for 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:


LORENZO C. DRAPETE
Director, BMB-C

Approved:

By Authority of the Secretary:


LUZ M. CANTOR
Undersecretary W

Date: NOV 03 2017

COB No. CI-17-0061

cc: The Chairman
Board of Directors, PCIC

Department of Budget and Management
BTS

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



2017-S10210L

The Resident Auditor
COA - PCIC