



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

CORPORATE OPERATING BUDGET

Calendar Year 2017

TO: METROPOLITAN WATERWORKS AND SEWERAGE SYSTEM - RESIDUAL (MWSS-CO)

Your Corporate Operating Budget (COB) for Calendar Year 2017 per Board Resolution No. 2017-009-CO dated February 24, 2017 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 amount not exceeding **TWO BILLION THREE HUNDRED FORTY THREE MILLION THREE HUNDRED THIRTY FOUR THOUSAND PESOS ONLY (P2,343,334,000)** details of which are shown below:

PARTICULARS	PROPOSAL		APPROVED		VARIANCE
	(a)	(b)	(c)	(d)	(e=b-a)
TOTAL SOURCES:	P	2,639,069,000	P	2,639,069,000	-
Corporate Funds		2,406,686,000		2,406,686,000	-
Borrowings		232,383,000		232,383,000	-
TOTAL USES:	P	2,639,069,000	P	2,343,334,000	P (295,735,000)
Personnel Services (PS)		210,937,000	a/	162,983,000	b/ (47,954,000) c/
Maintenance & Other					
Operating Expenses (MOOE)		1,784,984,000	d/	1,537,203,000	e/ (247,781,000)
Capital Outlays (CO)		643,148,000		643,148,000	f/ -
EXCESS/SHORTFALL	P	-	P	295,735,000	P 295,735,000

Footnotes:

a/ Includes P26,775,000 CYs 2014-2016 back pay benefits for incumbent employees realigned from MOOE to PS.

b/ Includes the provision of P975,000 Hazard Pay for the fifteen (15) personnel under the Umiray Angat Transbasin Project for budgetary purpose, subject to GCG approval. Includes P7,504,000 back-pay benefits from CYs 2014-2016 authorized under Letter of Implementation No. 97 dated August 31, 1979 and allowances actually received by incumbent employees allowances as of July 1, 1989 as affirmed by Commission on Audit (COA) through Decision No. 2003-071.

c/ The variance of P47,954,000 refers to the overprovision of the following:

Particulars	Amount (In '000)	Remarks
Salaries, Permanent	P 13,196	Excess provision for 153 filled positions. PhilHealth premium is based on DBM Circular No. 2017-3 dated January 3, 2017
Year-End Bonus	1,100	
Mid-year Bonus	1,100	
Fixed Expenditures	1,583	
Lump-sum, Contractuals	631	
CY 2016 Back Pay (SSL4 Differential)	1,465	
CYs 2014-2016 Back Pay Benefits	19,271	Excess provision for 28 contractual positions.
Performance Enhancement Incentive (PEI)	5,406	Included for budgetary purpose. Differential computed based on SSL III - 4th tranche vis-à-vis SSL IV-1st tranche for 108 CY 2016 filled positions.
Loyalty Incentive	520	Limited to the meal, rice, longevity and medical allowances of incumbent employees actually receiving the said benefits prior to July 1, 1989
Meal Allowance	1,084	P5,000/annum per employee
Rice Subsidy	270	Chargeable against savings
Welfare Fund Benefits	2,198	Based on Executive Order No. 203 or Letter of Implementation No. 97
Unaccounted Difference	130	Based on Executive Order No. 203
		Pegged at FY 2014 Audited Figures. Subject to rules, regulations and procedures based on DBM Budget Circular 2008-3 dated June 20, 2008.
Total	P 47,954	Difference between the Board-approved level vis-à-vis breakdown presented

d/ Excludes P7,504,000 CYs 2014-2016 back pay benefits for incumbent employees realigned from MOOE to PS.

e/ Excludes P140 Million Early Retirement and Incentive Package (ERIP). Payment of such is subject to MWSS-CO's submission of supplemental budget which shall be acted upon separately and upon implementation of MWSS reorganization.

MOOE level is computed considering audited/actual expenses for the previous years and effects of inflation. Includes the provision of Extraordinary and Miscellaneous Expenses pegged at P 547,200 computed based on Section 42, General Provisions of R.A. No. 10924, FY 2017 General Appropriations Act (GAA) and provision of Reimbursable Expenses based on GCG Memorandum Circular 2016-01 dated May 10, 2016.

f/ CO level is recommended as proposed, broken down as follows:

Public Infrastructures	P	527,383,000
Buildings and Structures Outlay		65,000,000
Furnitures, Fixtures, Equipment & Books Outlays		50,765,000
Total	P	643,148,000

TO: METROPOLITAN WATERWORKS AND SEWERAGE SYSTEM - RESIDUAL (MWSS-CO)

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

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 National Government budgetary support either in the form of subsidy, equity or loans outlay.
2. Disbursements for personnel allowances/benefits, shall be subject to the pertinent compensation laws, rules and regulations, including E.O. (EO) Nos. 201 for GOCCs not covered by RA 10149 and EO 203 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 or Secretary Budget and Management, as the case maybe.
3. Disbursements for Extraordinary and Miscellaneous Expenses shall be subject to relevant provision of the annual GAA.
4. Equipment outlays included in the Annual Procurement Program that require specific clearance/approval from the agencies concerned (ex. Information and Communications Technology Office (DOST-ICT Office) 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.
5. The fiscal discipline measures prescribed under A.O. No. 103 dated August 31, 2004 shall be observed.
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

Date:

JUL 17 2017

COB No. C1-17-0015

cc: The Chairman
Board of Directors, MWSS-CO

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

The Resident Auditor
COA - MWSS-CO

Department of Budget and Management
BTS



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