



Oct 26, 2018
To: Lopez
your self

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

METROPOLITAN WATERWORKS & SEWERAGE SYSTEM
ADMINISTRATOR'S OFFICE
 RECEIVED BY: *Sal*

NAME: _____
 DATE: **OCT 24 2018**

CORPORATE OPERATING BUDGET

Fiscal Year 2018

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

Your Corporate Operating Budget (COB) for Fiscal Year 2018 per Board Resolution No. 2018-003-CO dated January 11, 2018 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 not exceeding **FOUR BILLION FOUR HUNDRED FIFTY SEVEN MILLION FIVE HUNDRED SEVENTY SEVEN THOUSAND PESOS ONLY (P4,457,577,000)** details of which are shown below:

PARTICULARS	PROPOSAL		APPROVED		VARIANCE
	(a)	(b)	(c)	(d)	
TOTAL SOURCES:	P 4,495,607,000	P 4,495,607,000			(c=b-a)
Corporate Funds	3,447,415,000	3,447,415,000			-
Borrowings	1,048,192,000	1,048,192,000			-
TOTAL USES:	P 4,495,607,000	P 4,457,577,000	P 38,030,000		(38,030,000)
Personnel Services (PS)	202,578,000	199,942,000	a/		(2,636,000) b/
Maintenance & Other					
Operating Expenses (MOOE)	2,239,137,000	2,203,743,000			(35,394,000)
Regular	184,471,000	149,077,000	c/		(35,394,000) d/
Progress Billing	764,647,000	764,647,000			-
Debt Service	1,290,019,000	1,290,019,000			-
Capital Outlays (CO)	2,053,892,000	2,053,892,000	f/		-
EXCESS/SHORTFALL	P -	P 38,030,000	P		38,030,000

Footnotes:

a/ Includes P4,118,000 welfare fund benefits recommended for budgetary purposes. The release and disbursement shall be limited to the existing and prevailing welfare fund rates implemented by the MWSS as of June 20, 2008 and any increases are subject to rules, regulations and procedures based on DBM Budget Circular 2008-3 dated June 20, 2008 and approval from the Office of the President.

b/

Particulars	Amount	Remarks
Loyalty Incentive	P 530,000	Chargeable against savings pursuant to Civil Service Commission Omnibus Rules Implementing Executive Order No. 292.
Meal Allowance	1,984,000	} Limited to incumbents as of June 30, 1989 per Letter of Implementation No. 97
Medical Allowance	13,000	
Rice Subsidy	109,000	
Total	P 2,636,000	Limited to incumbents as of June 30, 1989 as affirmed by Commission on Audit through its letter dated October 4, 2002.

c/ The 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 43, General Provisions of R.A. No. 10964, FY 2018 GAA and P5,000,000 Confidential Fund subject to the approval of the Office of the President pursuant to COA-DBM-DILG-GCG-DND Joint Circular No. 2015-01 dated January 8, 2015.

d/ The variance of P35,394,000 refers to the overprovision of the following:

Particulars	Amount	Remarks
Communication Expenses	P 499,000	} Excess in the computation considering audited/actual expenses and inflation.
Office Supplies and Materials	6,374,000	
Representation Expense	104,000	
Travelling Expenses	2,629,000	
Training and Seminars	85,000	
Gender And Development (GAD) Expenses	7,308,000	Based on GAD Budget Plan as endorsed by the Philippine Commission on Women
Other MOOE	18,395,000	} Based on the MWSS-CO's submitted details
Total	P 35,394,000	

Notwithstanding the above indicated variance in MOOE, the LWUA has the flexibility to modify its utilization within the DBM-approved budget level for each allotment class for items funded out of corporate funds. In case of those funded out of national government budgetary support, Section 72 of the General Provisions of RA No.10964 on the rules on the modification in the allotment shall apply.

e/ Includes P1,048,192,000 requirement for the on-going implementation of Angat Water Transmission Improvement Project.

f/ CO level is recommended as proposed. Includes P1,748,192,000 refers to the requirements for the implementation of various water infrastructure projects.

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 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 Executive Order (EO) Nos. 7 and 24 dated September 8, 2010 and February 10, 2011, respectively, and EO 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 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 (e.g. Department of Information and Communications Technology particularly Medium-Term Information and Communications Technology Harmonization Initiative Steering Committee) for information and communication 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 ..
6. The fiscal discipline measures prescribed under A.O. No. 103 dated August 31, 2004 shall be observed.
7. 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.
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.

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 Section 80, Chapter 7, Book VI of EO 292.

Recommending Approval:



CARMENCITA P. MAHINAY
Director, BMB-C

Approved:

By Authority of the Secretary:



TINA ROSE MARIE L. CANDIA
Undersecretary

Date: 9-25-18 / SEP 27 2018

COB No. C1-18-0043

cc: The Chairman
Board of Directors, MWSS-CO

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

The Resident Auditor
COA - MWSS-CO

Department of Budget and Management
BTS



2018-S10475L