



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

CORPORATE OPERATING BUDGET

Fiscal Year 2022

TO: PHILIPPINE GUARANTEE CORPORATION (PHILGUARANTEE)

Your Corporate Operating Budget (COB) for FY 2022 per approved PHILGUARANTEE Secretary's Certificates all dated August 26, 2022 for Board Resolutions No. 290, 278, 277 291 and 292, series of 2022, 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 **THIRTEEN BILLION THREE HUNDRED FORTY-SIX MILLION NINE HUNDRED SIXTY-SIX THOUSAND PESOS ONLY (P13,346,966,000.00)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES	P 14,280,934,000	P 14,280,934,000	P -
Corporate Funds	14,280,934,000	14,280,934,000	-
TOTAL USES	P 13,534,561,000	P 13,346,966,000	P (187,595,000)
Personnel Services (PS)	416,420,000	416,420,000 <i>a/</i>	-
Maintenance & Other Operating Expenses (MOOE)	1,033,538,000	957,433,000	(76,105,000) <i>b/</i>
Capital Outlays (CO)	12,084,603,000	11,973,113,000 <i>c/</i>	(111,490,000)
Excess	P 746,373,000	P 933,968,000	P (187,595,000)

Footnotes:

- a/ The approved PS level considered adoption of Compensation and Position Classification System (CPCS) authority per Governance Commission for Government-Owned or Controlled Corporations (GCG) approval dated May 31, 2022. The said CPCS approval expressly authorizes the PHILGUARANTEE to implement tier 5 of the Category 3 Salary Structure based on the authorized CPCS Job Grade equivalent positions, pursuant to Executive Order No. 150 dated October 1, 2021, its implementing rules and regulations, and corresponding CPCS circulars for each PS item.
- b/ The approved MOOE level is computed in consideration of the PHILGUARANTEE's previous year's budget utilization except for fixed items covered by contracts and financial expenses which are recommended as proposed, whereas Extraordinary and Miscellaneous Expenses (EME) is computed based on prescribed rates by the GCG. The variance amounting P76,105,000.00 pertains to the effect of the preceding year's Budget Utilization Rate (BUR).
- c/ The approved CO level considers the implementation-readiness of the projects and activities under the respective CO items which are expected to be completed within the year as certified by the Corporation.

Notwithstanding the aforementioned variances in MOOE and CO, the PHILGUARANTEE still has the flexibility to modify its utilization within the DBM-approved budget level for items funded out of corporate funds.

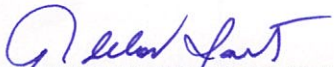
Further, the following conditions shall be observed and complied with:

- 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 NG budgetary support either in the form of subsidy, equity or loans outlay.
- 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.
- 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. 150 for Government-Owned or Controlled Corporations (GOCCs) covered by RA No. 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.
- Disbursements for MOOE expenditures shall be subject to the relevant provisions of the annual GAA, among others.

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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 the provisions of the Budget Circular No. 2022-1 (Omnibus Guidelines on the Acquisition, Use, Rental, and Replacement of Motor Vehicles), RA No. 9184 (Government Procurement Reform Act) and its Implementing Rules and Regulations, 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 No. 292.

Recommending Approval:


MARIA GRACE M. DE LOS SANTOS
Director, BMB-C
Date: 7 September 2022

Approved

By the Authority of the Secretary:


TINA ROSE MARIE L. CANDIA
Undersecretary, DBM

cf:

The Chairman
Board of Trustees, Philippine Guarantee Corporation

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

The Resident Auditor
COA - PHILGUARANTEE

COB No. C4-22-0040

Date: SEP 13 2022