



REPUBLIC OF THE PHILIPPINES
Department of Budget and Management
 Malacañang, Manila

CORPORATE OPERATING BUDGET
 Calendar Year 2014

TO: LIGHT RAIL TRANSIT AUTHORITY (LRTA)

Your Corporate Operating Budget (COB) for Calendar Year 2014 per Board Approval dated November 18, 2013, 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 **THIRTEEN BILLION NINE HUNDRED SEVENTY ONE MILLION FIVE HUNDRED TWENTY THOUSAND PESOS ONLY (P13,971,520,000)** details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 20,772,829,000	P 14,078,250,000	P (6,694,579,000)
National Government Subsidy	16,262,191,000	9,567,612,000	(6,694,579,000) a/
Corporate Funds	3,819,806,000	3,819,806,000	-
Corporate Borrowings	690,832,000	690,832,000	-
TOTAL USES:	P 20,772,829,000	P 13,971,520,000	P (6,801,309,000)
Personnel Services (PS)	819,749,000	b/ 751,277,000	(68,472,000) c/
Maintenance & Other Operating Expenses (MOOE)	2,954,300,000	2,916,042,000	(38,258,000) d/
Capital Outlays (CO)	12,920,379,000	6,225,800,000	(6,694,579,000) e/
Debt Service (DS)	4,078,401,000	4,078,401,000	-
EXCESS/SHORTFALL	P -	P 106,730,000	P 106,730,000

Footnotes:

a/ The variance of P6,694,579,000 refers to the difference between the allocation in FY 2014 NEP and appropriation in the FY 2014 GAA.

b/ Includes P22,709,000 allocation for Performance Based Bonus (PBB). The grant of which is subject to specific guidelines and GCG review and approval.

c/ The variance of P68,472,000 refers to the following:
 (Based on 381 regular positions and 1,376 contractual positions)

Remarks
Excess Provision (Regular Positions):
Salaries P 14,743,000 Excess provision for 381 positions
Year-end Bonus 1,228,000 Limited to one month basic salary
Representation and Transportation Allowance (RATA) 2,388,000 Subject to the provisions of Sec. 54 General Provisions, Republic Act (R.A.) No. 10633, FY 2014 GAA. Transportation allowance shall not be granted to officials who are assigned or presently use government motor transportation.
Honoraria 315,000 Excess provision. Based on the list of approved trainings.
Rice Allowance 8,899,000 Excess provision. Only to incumbents of positions as of June 30, 1989.
Retirement and Life Insurance Premium 1,770,000 Pegged at 12% of basic salary
Philhealth Contribution 1,006,000 Computed based on prescribed rate per CL No. 2012-5 dated April 13, 2012.
Sub-Total P 30,349,000
Excess Provision (Contractual Positions):
Contractual Positions P 30,576,000 Excess provision for 1,376 positions
Year-end Bonus 2,548,000 Limited to one month basic salary
Retirement and Life Insurance Premium 3,669,000 Pegged at 12% of basic salary

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Philhealth Contribution	P	1,330,000	Computed based on prescribed rate per CL No. 2012-5 dated April 13, 2012.
Sub-Total	P	<u>38,123,000</u>	
TOTAL	P	<u>68,472,000</u>	

d/ MOOE level is computed considering actual/audited expenses for the previous years and effects of inflation. Extraordinary and Miscellaneous Expenses pegged at P382,000, computed at rates authorized under Sec. 41, General Provisions, R.A. No. 10633, FY 2014 GAA.

e/ CO level is broken down as follows:

	Proposal	Recommendation	Variance
Line 1 South Extension Project	P 6,772,291,000	P 5,172,291,000	P (1,600,000,000)
Line 1 North Extension Project	938,000,000	629,844,000	(308,156,000)
Line 2 East Extension Project	5,051,900,000	265,477,000	(4,786,423,000)
Furniture & Fixtures, Machineries and Equipment Outlay	118,511,000	118,511,000	-
Other Capital Outlay	39,677,000	39,677,000	-
TOTAL	P <u>12,920,379,000</u>	P <u>6,225,800,000</u>	P <u>(6,694,579,000)</u>

The variance of P6,694,579,000 represents CAPEX for Line 1 South and North Extension and Line 2 East Extension, the allocation for which Congress reduced vis-à-vis the FY 2014 NEP.

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

- 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.
- Disbursements for personnel amelioration/benefit shall be subject to the pertinent compensation laws, rules and regulations including E.O. 7 and 24 dated September 8, 2010 and February 10, 2011, respectively. Such expenditures shall also be conditioned on the relevant Provisions of R.A. No. 10633, the FY 2014 General Appropriations Act (ex. Representation and Transportation Allowance under Section 54, General Provisions), or any specific law or approval of the President of the Philippines or Secretary of Budget and Management, as the case maybe.
- Disbursements for extraordinary and miscellaneous expenses shall be subject to Section 41 General Provisions of R.A. No. 10633.
- 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 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 and A.O. No. 15 dated May 25, 2011, among others.
- The fiscal discipline measures prescribed under A.O. No. 103 dated August 31, 2004 shall be observed.
- 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.
- 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:

Approved:

By Authority of the Secretary:


LORENZO C. DRAPETE
Director, BMB-F


LUZ M. CANTOR
Undersecretary

Date: APR 11 2014

COB No. F3-14-003

cc: The Chairman
Board of Directors, LRTA

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

The Resident Auditor
COA - LRTA

