



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

CORPORATE OPERATING BUDGET
Fiscal Year 2020

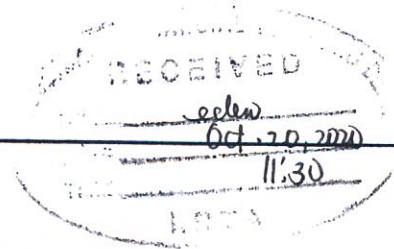
To: Light Rail Transit Authority (LRTA)

Your Corporate Operating Budget (COB) for FY 2020 per LRTA's Board Resolution No. 013-2020 dated June 26, 2020 submitted pursuant to Section 6 of Executive Order (EO) No. 518, series of (s.) 1979 and Section 19, Chapter 3, Book VI of EO No. 292, s. 1987 and as reiterated in Corporate Budget Circular (CBC) No. 22 dated December 1, 2016, is hereby approved for a total of **TWENTY BILLION FIVE HUNDRED TWENTY-ONE MILLION EIGHT HUNDRED FIVE THOUSAND PESOS ONLY (P20,521,805,000)**, details of which are shown below:

PARTICULARS	PROPOSAL	APPROVED	VARIANCE
TOTAL SOURCES:	P 22,396,298,000	P 22,396,298,000	P -
Corporate Funds	5,249,288,000	5,249,288,000	-
National Government Subsidy	14,070,131,000	14,070,131,000	a/ -
Net Lending (BTR Advances)	3,076,879,000	3,076,879,000	-
TOTAL USES:	P 22,396,298,000	P 20,521,805,000	P (1,874,493,000)
Personnel Services (PS)	546,383,000	529,419,000	(16,964,000) b/
Maintenance and Other Operating Expenses (MOOE)	1,257,609,000	1,253,953,000	(3,656,000) d/
Capital Outlays (CO)	5,331,036,000	5,331,036,000	e/ -
Others	15,261,270,000	13,407,397,000	f/ (1,853,873,000) g/
Excess/(Shortfall)	P -	P 1,874,493,000	P (1,874,493,000)

Footnotes:

- a/ Inclusive of P10,330,518,000 Conversion of NG Advances into Subsidy under Unprogrammed Fund and P2,721,461,000 Billion DOTR Funds
- b/ The PS level variance refers to the following:
- | | | | |
|--------------------------|---------------------|--|---|
| Basic Salary, Permanent | 7,034,000 | | } Rates computed based on the 4th tranche SSL4 per EO 201. LRTA is covered by RA 10149, which is excluded from the coverage of "Salary Standardization Act of 2019" |
| Salaries, Casual | 7,835,000 | | } Overprovision, based on the prescribed rates x number of authorized positions |
| Mid-Year Bonus | 586,000 | | |
| Year-End Bonus | 586,000 | | |
| Philhealth Contributions | 79,000 | | |
| RLIP | 844,000 | | |
| Total | P 16,964,000 | | - Based on 12% of salaries |
- c/ Net of Non-Cash MOOE of P1,731,716,000
- d/ The MOOE level was computed considering actual/audited expenses for the previous years and the effects of inflation, except for items covered by contracts and Auditing Services which was based on the Commission on Audit assessment cost of audit fees. Details of variance as follows:
- | | | |
|---|--------------------|--|
| Other Professional/Administrative Services | 1,453,000 | |
| Printing, Binding and Subscription Expenses | 26,000 | |
| Advertising/Publication/Promotional | 109,000 | |
| Extraordinary and Miscellaneous Expenses | 72,000 | |
| Representation Expenses | 1,126,000 | |
| Fidelity Bonds and Insurance Premium | 708,000 | |
| Other Benefits | 162,000 | |
| Total | P 3,656,000 | |
- e/ The CO is recommended as proposed, details as follows:
- | | | |
|---|--------------------|--|
| Buildings & Other Structures | 1,853,865 | |
| Land & Land Improvements | 1,246,611 | |
| Office Equipment and Furniture & Fixtures | 2,359 | |
| Machineries & Equipment | 1,160,194 | |
| Transportation Equipment | 983,000 | |
| Other CO | 85,007 | |
| Total | P 5,331,036 | |
- f/ Other expenditure items are as follows:
- | | | |
|---|---------------------|--|
| Conversion of BTR advances into Subsidy | 10,330,518 | |
| Debt Services | 3,076,879 | |
| Total | P 13,407,397 | |
- g/ The variance of P1,853,873,000 pertains to the funds offered for COVID-19 measures (not an expense) with details as follows:
- | | |
|--|------------------------|
| Discontinued P/A/Ps charged against the NG subsidy, with negative SAROs issued as follows: | |
| FY 2020 Subsidy (SARO-BMB-C-20-0012347) | 834,000,000 |
| FY 2019 Subsidy (SARO-BMB-C-20-0012348) | 19,873,000 |
| Subtotal | 853,873,000 |
| Unutilized subsidies (from the DOTR) remitted directly to the BTr per DOF directive | 1,000,000,000 |
| Total | P 1,853,873,000 |





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To: **Light Rail Transit Authority (LRTA)**

Notwithstanding the above indicated variances in PS and MOOE, the LRTA 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 NG budgetary support, Section 70 of the General Provisions of RA No. 11465 on the rules on the modification in the allotment shall apply.

The following conditions shall be observed and complied with:

- All expenditures, whether for current operating expenditures or CO, 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.
- 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 of the Office of the President (OP). Disbursements for personnel services shall be subject to the pertinent compensation laws, rules and regulations, including EO Nos. 7 (s. 2010), 24 (s. 2011) and 201 (s. 2016). Such expenditures shall be consistent with EO No. 76, s. 2012 and also be conditioned on the relevant General Provisions (GP) of FY 2020 National Expenditure Program (NEP)/General Appropriations Act (GAA) 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 (EME) and other MOOE expenditures shall be subject to relevant provision of the annual NEP/GAA.
- Collective Negotiations Agreement (CNA) may be granted to qualified personnel subject to the relevant provisions of the annual NEP/GAA and policies, rules and regulations issued by the DBM.
- For equipment outlays included in the Annual Procurement Program that require specific clearance/approval from the agencies concerned, the same 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 MVs, in accordance with Corporate Budget Circular No. 17 dated February 9, 1996, Administrative Order (AO) No. 14 dated December 10, 2018; Budget Circular (BC) No. 2019-2 dated March 4, 2019; Office of the President Memorandum Circular No. 9 dated December 14, 2010. Further, the classification/s and specifications of subject MV shall be consistent with the provisions of BC No. 2019-3, BC No. 2019-2, and Annex B of BC No. 2017-1, among
- 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.
- 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.
- 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 No. 292.

Recommending Approval:

Carmencita P. Mahi
CARMENCITA P. MAHI
Director, BMB-C

Approved:

By Authority of the Secretary
Tina Rose Marie L. Canda
TINA ROSE MARIE L. CANDA
Undersecretary

Date: 9/11/2020

COB No. **C3-20-0004**

cc: The Chairman
Board of Directors, LRTA
The Head, Corporate Sector
Commission on Audit (COA) - Central Office
COA Building, Quezon City
The Resident Auditor
COA - LRTA

COPY FOR:

- Office of the Administrator *Bong H 10/20/2020*
- DA for Admin., Finance & AFCS *Barbay 10/20/2020*
- COA *2 copies*
- Board of Directors *Clara 10/21/2020 2:13 pm*
- Finance *JANE 10/20/20*
- Accounting *CONNIE 10/20/20*
- Internal Audit *HAZEL I. 20 OCT 2020*

