



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

**CORPORATE OPERATING BUDGET**  
Fiscal Year 2019

**TO: LAND BANK OF THE PHILIPPINES (LBP)**

Your Corporate Operating Budget (COB) for Fiscal Year 2019 per approved Board Resolution No. 18-986 dated December 11, 2018, 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 of **TWO HUNDRED THIRTY-SEVEN BILLION EIGHT HUNDRED FORTY-NINE MILLION EIGHTY-FIVE THOUSAND PESOS (P237,849,085,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
<b>TOTAL SOURCES:</b>	P 596,125,851,000	P 596,125,851,000	-
Corporate Funds	559,637,851,000	559,637,851,000	-
National Government (NG) Subsidy	36,488,000,000	36,488,000,000	-
<b>TOTAL USES:</b>	P 238,605,070,000	P 237,849,085,000	P (755,985,000)
Personnel Services (PS)	15,711,363,000	15,452,022,000	(259,341,000) a/
Maintenance and Other Operating Expenses (MOOE)	74,373,713,000	73,896,753,000	(476,960,000) b/
Operating Expenses	37,885,713,000	37,408,753,000	(476,960,000) b/
NG Subsidy	36,488,000,000	36,488,000,000	-
Capital Outlays (CO)	148,519,994,000	148,500,310,000	(19,684,000)
Capital Expenditures	7,979,052,000	7,959,368,000	c/ (19,684,000)
Banking Operations	140,540,942,000	140,540,942,000	-
<b>Excess/(Shortfall)</b>	P 357,520,781,000	P 358,276,766,000	P 755,985,000

**Footnotes:**

a/ The PS variance refers to:

I. Overprovision of the hereunder items:

Subsistence Allowance	P 81,900,000
Hazard Pay	1,000,000

Other Benefits (Wellness Program/Sports/Athletic)	136,063,000
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Other Benefits	40,378,000
Total Disallowance	P 259,341,000

Provided only to agencies with Magna Carta  
Charged to savings per Budget Circular No. 2005-4

Pursuant to Sec.48 of FY 2019 GAA, an amount not exceeding P1,500 shall be provided per employee-participant for the cultural and athletic activities.

No details/legal basis

Pursuant to Section 2 of EO No. 36 dated July 28, 2017, SSL-covered GOCCs shall adopt the Modified Salary Schedule under EO No. 201 dated February 19, 2016 as well as allowances and benefits provided therein, upon approval by the Governance Commission for Government-owned and/or Controlled Corporations (GCG).

The implementation of the compensation adjustments shall be subject to the provisions of EO No. 201, where applicable, GOCCs which do not have adequate or sufficient funds shall partially implement the Modified Salary Schedule and authorized benefits. In case of partial implementation, the same shall be at a uniform percentage across all positions of the GOCC.

b/ MOOE level computed considering highest actual/audited expenses for the previous years and the effects of inflation.

c/ The proposed CO level is broken down as follows:

Particulars	Amount
<b>Capital Expenditures</b>	
Investment Property Outlay	P 1,597,335,000
Land and Land Improvements Outlay	1,414,236,000
Buildings and Structures Outlay	1,382,795,000
Furnitures and Fixtures, Equipment and Books Outlay	1,682,750,000
Other Assets / Intangible Assets Outlay	1,871,877,000
Transportation Equipment	10,375,000
Sub-total	P 7,959,368,000
<b>Banking Operations</b>	
Investments Outlay	49,519,753,000
Loans Outlay	77,870,357,000
Others (Deposits)	13,150,832,000
Sub-total	P 140,540,942,000
<b>Total</b>	P 148,500,310,000



**TO: LAND BANK OF THE PHILIPPINES (LBP)**

The purchase of transportation equipment shall be consistent with the following guidelines:

1. Per Administrative Order (AO) No. 14 dated December 10, 2018, the proposed acquisition of motor vehicles is approved by the Department of Budget and Management through an Authority to Purchase Motor Vehicle per attached **APMV No. C-19-0020**; and shall be subject to prior approval from the Department of Finance, as the supervising body of the LBP.
2. Procuring entities may undertake their own procurement of motor vehicles pursuant to GPPB Resolution No. 20-2019 which delisted the motor vehicles from the list of Common-Use Supplies and Equipment to be procured thru the Procurement Service (PS).

Notwithstanding, the above-indicated variances in PS and MOOE, the **LBP** has the flexibility to modify its utilization within the DBM-approved budget level for items funded out of the corporate funds. In case of those funded out of NG budgetary support, Section 76 of the General Provisions of RA No. 11260 on the rules on the modification in allotment shall apply.

**The following conditions shall be observed and complied with:**

1. 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.
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. Disbursements for PS shall 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. 203 as amended by EO No. 36 (Suspending the CPCS under EO No. 203, Providing for Interim Compensation Adjustments, and for Other Purposes) for GOCCs covered by RA No. 10149. Such expenditures shall be subject to relevant 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 and the GCG, as the case may be.
4. The interim measures prescribed under EO 36 dated July 28, 2017 as implemented by GCG Memorandum No. 2017-03 dated August 24, 2017 shall be strictly observed.
5. Disbursements for Extraordinary and Miscellaneous Expenses (EME) and othe MOOE expenditures shall be subject to relevant provisions of the annual GAA, among others.
6. 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 motor vehicles (MV), in accordance with Corporate Budget Circular No. 17 dated February 9, 1996, Administrative Order 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 motor vehicle/s shall be consistent with the provisions of BC No. 2019-2, and Annex B of BC No. 2017-1, among others.
7. 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.
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 292.

**Recommending Approval:**

*Carmencita P. Mahinay*  
**CARMENCITA P. MAHINAY**

Director, Budget and Management Bureau - C

Date:

**Approved:**

By Authority of the Acting Secretary:

*Tina Rose Marie L. Canda*  
**TINA ROSE MARIE L. CANDA**  
Undersecretary

COB-C4-19-0021

NOV 25 2019

cc: The Chairman  
Board of Directors, LBP

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

The Resident Auditor  
COA-LBP

Department of Budget and Management  
BTS



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