



REPUBLIC OF THE PHILIPPINES

Department of Budget and Management
Malacañang, Manila

CORPORATE OPERATING BUDGET

Calendar Year 2014

0- METROPOLITAN WATERWORKS AND SEWERAGE SYSTEM - REGULATORY OFFICE (MWSS-RO)

Your Corporate Operating Budget (COB) for Calendar Year 2014 per Board Resolution No. 2014-014-CO and Supplemental Budget per Secretary's Certificate dated January 23, 2014 and April 25, 2014, respectively, 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 **TWO HUNDRED FORTY TWO MILLION TWO HUNDRED THIRTY TWO THOUSAND PESOS ONLY (P242,232,000)**, details of which are shown below:

	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 315,021,615	P 315,021,615	-
Corporate Funds	237,295,000	237,295,000	-
RO Dollar Reserve Deposit of USD1,032,525.61	48,012,441	48,012,441	a/
Transfer of Funds From MWSS-Corporate Office	29,714,174	29,714,174	a/
TOTAL USES:	P 261,980,000	P 242,232,000	P (19,748,000)
Personal Services (PS)	57,081,000	47,024,000	b/ (10,057,000) c/
Maintenance & Other Operating Expenditure (MOOE)	174,746,000	165,055,000	(9,691,000)
Regular	29,974,000	20,283,000	(9,691,000) d/
Debt Service	7,487,000	7,487,000	-
Consultancy Service	58,858,000	58,858,000	e/
Arbitration and litigation Expense	700,000	700,000	-
Supplemental budget for Arbitration and Litigation Expense	77,727,000	77,727,000	-
Capital Outlays (CO)	30,153,000	30,153,000	f/
EXCESS/SHORTFALL	P 53,041,615	P 72,789,615	P 19,748,000

Footnote: a/ The RO Dollar reserve deposit of USD 1,032,525.61 is a restricted fund intended for Arbitrator's Fees pursuant to Board Actions dated June 2, 1999. The Board approved the utilization of the said dollar reserve deposit and the transfer of MWSS-Corporate Office to cover the arbitration-related expense pursuant to the Secretary's Certificate dated April 25, 2014.

b/ Includes P5,018,000 for Performance Based Bonus, grant of which is subject to the recommendation and approval or authorization by the Governance Commission for GOCCs (GCG)

c/ The variance of P10,057,000 refers to the following:

Excess Provision:		Remarks
Salaries of permanent positions	P 27,000	Excess provision for 69 authorized positions
RATA	672,000	Excess provision for positions entitled to RATA. Grant must in accordance w/the pertinent Gen. Provisions of annual GAA.
Life and Retirement Insurance Premium	4,000	Equivalent to 12% of basic salary.
Philhealth Contributions	64,000	Computed based on authorized rates under PhilHealth Circular No.1, s. 2005.
Monetization	3,421,000	Chargeable against savings per Budget Circular No. 2002-1
Loyalty Bonus	110,000	Chargeable against savings per Memorandum Circular No. 17, s.1999
No legal basis:		
Meal Allowance	2,732,000	} Authorized through Board Resolutions without approval or confirmation from the Office of the President
Children's Allowance	31,000	
Rice Subsidy	1,490,000	
Employee's Welfare Fund	1,506,000	
Total	P 10,057,000	

CO - METROPOLITAN WATERWORKS AND SEWERAGE SYSTEM - REGULATORY OFFICE (MWSS-RO)

1/ MOOE level computed considering the previous year's actual/audited amounts, FY 2012 and 2013 COB and effects of inflation and Miscellaneous Expenses pegged at P 484,000 computed based on authorized rates and positions under Section 41, Provisions of R.A. No. 10633, FY 2014 GAA.

2/ The Consultancy Services are subject to the approval of the GCG and in compliance with RA No. 9184.

3/ The breakdown of capital outlays is as follows:

Building and Structures Outlay	P	2,800,000
Office equipment, furnitures and fixtures		18,823,000
Transportation Equipment		8,380,000
Machineries and Equipment Outlay		150,000
Total	P	30,153,000

The purchase of motor vehicles shall be subject to the approval by the Office of the President/ DBM/ Supervisory Department, as the case maybe, and shall be acted upon separately upon submission of documentary requirements.

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

1. 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.
2. Disbursements for personnel amelioration/benefit shall be subject to the pertinent compensation laws, rules and regulations including E.O No. 7 and 24 dated September 8, 2010 and February 10, 2011, respectively. Such expenditures shall also be conditioned on the relevant General Provisions of Republic Act (R.A.) No. 10633, the General Appropriations Act (ex. Representation and Transportation Allowance under Section 45, General Provisions), or any specific law or approval of the President of the Philippines or Secretary of Budget and Management, as the case maybe
3. Disbursements for extraordinary and miscellaneous expenses shall be subject to Section 41, General Provisions of R.A. No. 10633.
4. 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 for motor vehicles), the same shall be secured before acquisition thereof in accordance with Corporate Budget Circular No. 17 dated February 9, 1996, National Budget Circular Nos. 446 and 446-A dated November 24, 1995 and January 30, 1998, Budget Circular No. 2010-2 dated March 1, 2010, Administrative Order (A.O.) No. 233 dated August 1, 2008, and Office of the President Memorandum Circular No. 9 dated December 14, 2010 and A.O No. 15 dated May 25, 2011, among others.
5. The fiscal discipline measures prescribed under A.O. No. 103 dated August 31, 2004 shall be observed.
6. 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.
7. 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
LORENZO C. DRAPETE
Director

Luiz M. Cantor
LUZ M. CANTOR
Undersecretary

Date: **JUL 30 2014**

COB No. F3-14-0038

cc: The Chairman
Board of Directors, MWSS-CO

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

The Resident Auditor
COA - MWSS-RO

Department of Budget and Management
BTS



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