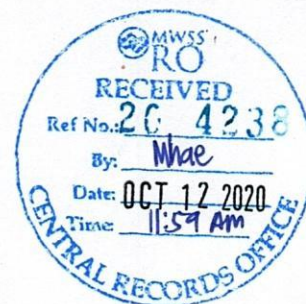




**REPUBLIC OF THE PHILIPPINES**  
**DEPARTMENT OF BUDGET AND MANAGEMENT**  
GENERAL SOLANO STREET, SAN MIGUEL, MANILA



**CORPORATE OPERATING BUDGET (COB)**

Fiscal Year (FY) 2020

**TO: METROPOLITAN WATERWORKS AND SEWERAGE SYSTEM - REGULATORY OFFICE (MWSS-RO)**

Your COB for FY 2020 per approved Board Resolution No. 2019-173-CO dated November 14, 2019, 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 of **TWO HUNDRED FIFTY-FIVE MILLION TWO HUNDRED SIXTY-TWO THOUSAND PESOS ONLY (P255,262,000.00)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
<b>TOTAL SOURCES:</b>	<b>P 255,262,000</b>	<b>P 255,262,000</b>	<b>P -</b>
Corporate Funds	255,262,000	255,262,000	-
<b>TOTAL USES:</b>	<b>P 255,262,000</b>	<b>P 235,339,000</b>	<b>P (19,923,000)</b>
Personnel Services (PS)	82,052,000	74,529,000	(7,523,000) a/
Maintenance and Other Operating Expenses (MOOE)	115,702,000	103,302,000	b/ (12,400,000) c/
Capital Outlays (CO)	57,508,000	57,508,000	d/ -
<b>Excess/(Shortfall)</b>	<b>P -</b>	<b>P 19,923,000</b>	<b>P 19,923,000</b>

**Footnotes:**

a/ The PS variance represents overprovision for the following items:

Particulars	Amount	
Salaries, Permanent	P 837,000	Represents requirements for positions which will not be filled in 2020
Personnel Economic Relief Allowance	120,000	
Uniform/Clothing Allowance	30,000	
Mid-year Bonus	70,000	
Year-end Bonus	70,000	
Cash Gift	25,000	
Performance Enhancement Incentive	25,000	
Life & Retirement Insurance Premium	100,000	
Employees Compensation Insurance Premium	6,000	
Pag-IBIG	6,000	
SSL 5 Tranche 1 Differential		Adjustments computed based on 1st Tranche of SSL V
Basic Salary	4,837,000	
Mid-year Bonus	403,000	
Year-end Bonus	403,000	
Philhealth Contributions	11,000	
Life & Retirement Insurance Premium	580,000	
<b>TOTAL</b>	<b>7,523,000</b>	

b/ Recommended MOOE level is based on the actual expenses as of June 30, 2020 and the MWSS-RO's projection for July to December 2020.

c/ The MOOE variance of P12,400,000.00 refers to the overprovision for the following:

Particulars	Amount
Communication Expenses	P 369,000
Supplies and Materials	1,750,000
Utilities Expense	2,843,000
Repair and Maintenance of Government Vehicles	362,000
Travelling Expenses	1,640,000



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Membership Dues and Contributions to Organizations	15,000
Advertising/Publications/Promotional	959,000
Printing and Binding Expense	60,000
Training and Seminar	4,402,000
<b>TOTAL</b>	<b><u>12,400,000</u></b>

d/ Total CO is composed of the following:

Furnitures, Fixtures and Books Outlay	P 20,000,000
Machineries and Equipment Outlay	37,508,000 *
<b>TOTAL</b>	<b><u>P 57,508,000</u></b>

\* Bulk of CO is pertains to the procurement of meter test benches and the purchase of water test kits and other various small-value items to enhance MWSS-RO's daily operational functions.

**Notwithstanding the above-indicated variances in PS and MOOE, the MWSS-RO still has the flexibility to modify its utilization within the DBM-approved budget level for funded out of corporate funds.**

This approval shall not be construed as an authorization for specific expenditure items under PS which requires prior approval from the Office of the President (OP).

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

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. 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 supplemental COB to cover the additional expenditures.
3. This approval shall not be construed as an authorization for specific expenditure items under PS which requires prior approval by the OP. Disbursement 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. 203 as amended by EO No. 36 (Suspending the Compensation and Position Classification System under EO No. 203, providing for Interim Compensation Adjustments, and for Other Purposes) for Government-Owned or-Controlled Corporations (GOCCs) covered by RA No. 10149. Such expenditures shall be subject to relevant conditions under the General Provisions of the annual General Appropriations Act 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.
4. Disbursements for EME and other MOOE items shall be subject to the relevant provisions of the annual GAA, among others.
5. Equipment outlays included in the Annual Procurement Program that require specific clearance/approval from the agencies concerned (e.g., Department of Information and Communications Technology for procurement of information and communication technology equipment covered by the GOCC's Information System Strategic Plan) shall be secured prior to the acquisition thereof.
6. 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.
7. Notwithstanding the repeal of Administrative Order (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.




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Fiscal Year (FY) 2020

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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:**

  
**CARMENCITA P. MAHINAY**  
Director, BMB-C

**Approved:**

By Authority of the Secretary:

  
**TINA ROSE MARIE L. CANDIA**  
Undersecretary

Cf:

The Chairman  
Board of Directors, MWSS-RO

The Head, Corporate Sector  
Commission on Audit (COA) - Central Office  
Quezon City

The Resident Auditor  
COA - MWSS-RO

**COB No. C1-20-0005**

Date: 8/25/2020