



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

**CORPORATE OPERATING BUDGET**  
 Fiscal Year 2021

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

Your Corporate Operating Budget (COB) for Fiscal Year 2021 per approved Board Resolution Nos. 20-887 and 21-407 dated December 9, 2020 and June 9, 2021, 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 of **THREE HUNDRED SIXTY-NINE BILLION FIVE HUNDRED EIGHTY-FOUR MILLION ONE HUNDRED TWENTY-FIVE THOUSAND PESOS (P369,584,125,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
<b>TOTAL SOURCES:</b>	<b>P 669,142,750,000</b>	<b>P 669,142,750,000</b>	<b>-</b>
Corporate Funds	669,142,750,000	669,142,750,000	-
<b>TOTAL USES:</b>	<b>P 370,564,502,000</b>	<b>P 369,584,125,000</b>	<b>P (980,377,000)</b>
Personnel Services (PS)	18,229,738,000	18,229,468,000	(270,000) a/
Maintenance and Other Operating Expenses (MOOE)	37,140,435,000	36,449,024,000	(691,411,000) b/
Capital Outlays (CO)	315,194,329,000	314,905,633,000	c/ (288,696,000)
Capital Expenditures	8,360,451,000	8,071,755,000	d/ (288,696,000)
Banking Operations	306,833,878,000	306,833,878,000	-
<b>Excess/(Shortfall)</b>	<b>P 298,578,248,000</b>	<b>P 299,558,625,000</b>	<b>P 980,377,000</b>

**Footnotes:**

a/ The PS variance refers to overprovision in Per Diem computed based on Governance Commission on GOCC (GCG) approval dated Oct. 21, 2011 and prescribed rates per Executive Order No. 24, s. 2011.

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 GCG. The GCG has authorized the LBP to adopt the Modified Salary Schedule under Executive Order (EO) No. 201, s. 2016 pursuant to EO No. 36, s. 2017 per letter of GCG dated February 28, 2018.

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/ The variance of P691,411,000 for MOOE refers to excess computation for non-core function items which were computed based on the highest actual or audited expenses for the previous years and inflation rate, or proposed level whichever is lower:

Particulars	Amount
Power, Light and Water	P 67,175,000
Repair & Maintenance	541,181,000
Travelling Expenses	10,433,000
Fuel and Lubricants	38,492,000
Seminar and Trainings	34,130,000
<b>Total</b>	<b>P 691,411,000</b>

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

Particulars	Amount
<b>Capital Expenditures</b>	
Land and Land Improvements Outlay	P 990,950,000
Buildings and Structures Outlay	3,429,083,000
Furnitures and Fixtures, Equipment and Books Outlay	2,498,917,000
Other Assets / Intangible Assets Outlay	1,152,805,000
<b>Sub-total</b>	<b>P 8,071,755,000</b>
<b>Banking Operations</b>	
Investment Property Outlay	105,280,959,000
Investments Outlay	5,498,654,000
Loans Outlay	172,998,735,000
Others (Deposits)	23,055,530,000
<b>Sub-total</b>	<b>P 306,833,878,000</b>
<b>Total</b>	<b>P 314,905,633,000</b>

d/ The variance in capital expenditures refers to the Transportation Equipment and portion of Buildings and Structures Outlays that are no longer doable by FY 2021 and are not included in the approved FY 2021 Annual Procurement Program.

**Notwithstanding, the above-indicated variances in PS, MOOE, and CO, the LBP has the flexibility to modify its utilization within the DBM-approved COB level for items funded out of corporate funds. In the case of those funded out of National Government budgetary support, Section 72 of the General Provisions of RA No. 11518 on the rules on 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. Disbursement for PS shall strictly observe pertinent compensation laws, rules and regulations, including Executive Order (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 GOCCs covered by RA 10149. Such expenditures shall be subject to relevant conditions under the General Provisions of the annual GAA or any specific law or approval of the President of the Philippines and/or Secretary of Budget and Management or the GCG, as the case maybe.
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:**

*Elena Regina S. Brillantes*  
 Digitally signed by  
 Elena Regina S.  
 Brillantes

**ELENA REGINA S. BRILLANTES**

OIC-Director, Budget and Management Bureau - C

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**Approved:**

*Tina Rose Marie L. Canda*  
**TINA ROSE MARIE L. CANDA**  
 Officer-in-Charge, DBM



**COB-C4-21-0040**

Date:

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

