



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

**CORPORATE OPERATING BUDGET**

Calendar Year 2017

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

Your Supplemental Budget for Personnel Services for Calendar Year 2017 per approved Board Resolution No. 17-825 dated November 29, 2017, 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 amount of **ONE BILLION TWO HUNDRED MILLION PESOS ONLY (P1,200,000,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
<b>TOTAL SOURCES:</b>	P 1,200,000,000	P 1,200,000,000	P -
Corporate Funds	1,200,000,000	1,200,000,000 ✓	-
<b>TOTAL USES:</b>	P 1,200,000,000	P 1,200,000,000	P -
Personnel Services (PS)	1,200,000,000	1,200,000,000 ✓	-
<b>Excess/(Shortfall)</b>	P -	P -	P -

**Footnotes:**

- a/ The recommended level of P1.2 Billion shall cover the commutation of leave credits of seven thousand nine hundred eighty-three (7,983) employees pursuant to Philippine Accounting Standard No. 19.

This approval shall not be construed as an authorization for specific expenditure items under PS which requires prior approval of the OP. Further, the following conditions shall be observed and complied with:

1. Disbursement for Personnel Services (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. 36 (Suspending the Compensation and Position Classification System under EO No. 203, as amended. Providing for Interim Compensation Adjustments, and for Other Purposes) for GOCCs not covered by RA 10149. Such expenditures shall be subject to relevant conditions under the 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 or the GCG, as the case maybe.
2. 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 292.

Recommending Approval:

*for: Lorenzo C. Drapete*  
**LORENZO C. DRAPETE**  
Director, BMB-C

Approved:

By Authority of the Secretary

*Imanier*  
**LUZ M. CANTOR**  
Undersecretary

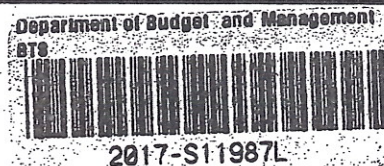
Date: **DEC 18 2017**

COB-C4-17-0079

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







Long Bank  
Admin. Act

REPUBLIC OF THE PHILIPPINES 17 SEP -5 2017  
DEPARTMENT OF BUDGET AND MANAGEMENT  
BONCODIN HALL, GENERAL SOLANO ST., SAN MIGUEL, MANILA

**CORPORATE OPERATING BUDGET**  
Calendar Year 2017

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

Your Corporate Operating Budget (COB) for Calendar Year 2017 per approved Board Resolution No. 17-072 dated January 19, 2017, 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 **ONE HUNDRED TWENTY-SEVEN BILLION THREE HUNDRED FORTY-FOUR MILLION ONE HUNDRED NINETY-FOUR THOUSAND PESOS ONLY (P127,344,194,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
<b>TOTAL SOURCES:</b>	<b>P 127,958,376,000</b>	<b>P 127,958,376,000</b>	<b>-</b>
Corporate Funds	127,958,376,000	127,958,376,000	-
Borrowings	-	-	-
<b>TOTAL USES:</b>	<b>P 127,958,376,000</b>	<b>P 127,344,194,000</b>	<b>P (614,182,000)</b>
Personnel Services (PS)	10,537,820,000	10,381,240,000	a/ (156,580,000) b/
Maintenance and Other Operating Expenses (MOOE)	29,867,180,000	29,409,578,000	(457,602,000) c/
Capital Outlays (CO)	87,553,376,000	87,553,376,000	d/ -
<b>Excess/(Shortfall)</b>	<b>P -</b>	<b>P 614,182,000</b>	<b>P 614,182,000</b>

**Footnotes:**

a/ The LBP shall strictly adhere to the following provisions of law:

1.0 Section 9 of Joint Circular No. 4, s. 2009 provides that exempt entities shall observe the policies, parameters and guidelines governing position classification, salary rates, categories and rates of allowances, benefits and incentives, prescribed by the President. Any increase in the existing salary rates, as well as, the grant of new allowances, benefits and incentives, or an increase in the rates shall be subject to the approval by the President, upon recommendation of the DBM. Section 10 thereof, required exempt entities to submit their existing compensation and position classification systems and their implementation status to the DBM.

2.0 Sections 8 and 9 of Executive Order (E.O.) No. 7, s. 2010 mandated that:

2.1 GOCCs/GFIs shall submit information on all salaries, allowances, incentives and other benefits.

2.2 Except salary adjustments pursuant to E.O. Nos. 811, s. 2009 and 900, s. 2010, a moratorium on the increase in the rates of salaries, and the grant of new or increase in the rates of allowances, incentives and other benefits is imposed until specifically authorized by the President.

The members of the board shall be compensated in accordance with Executive Order No. 24 dated February 10, 2011.

3.0 Section 8 of Republic Act No. 10149 (GOCC Governance Act of 2011), s. 2011 provided that the Governance Commission for GOCC (GCG), after conducting a compensation study, shall develop a Compensation and Position Classification System which shall apply to all officers and employees of the GOCCs whether under the SSL or exempt therefrom and shall consist of classes of positions grouped into such categories as the GCG may determine, subject to the approval of the President.

4.0 This review action shall not be construed as an authorization for specific expenditure items under PS but for budgetary purposes only. The grant of such items is subject to approval from the Office of the President.

b/ Variance represents overprovision of the following:

Per Diem (Board of Directors)	P 480,000	Based on GCG approval dated October 21, 2011 Excess in computation; based on allowable rates per President Gloria Macapagal-Arroyo's post-facto confirmation/approval dated February 8, 2010. No legal basis Excess in computation; based on DBM Circular Letter No. 2017-3 dated January 3, 2017
Rice Subsidy	99,396,000	
Medical/Dental/Optical Allowance	18,007,000	
Christmas Gift Package/Raffle	2,485,000	
Other Benefits	30,000,000	
Philhealth Contributions	6,212,000	
	<b>P 156,580,000</b>	



MOE level (net of Depreciation Expense amounting to P850,000,000) is computed considering actual/audited expenses for the previous years plus effects of inflation.

d/ CO level pertains to outlays on loans, land and land improvements, buildings and structures, furnitures, fixtures, equipment and others.

This approval shall not be construed as an authorization for specific expenditure items under PS which requires prior approval of the OP. Further, the following conditions shall be observed:

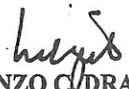
1. All expenditures, whether for current operating expenditures or COs, shall be made within the limits of available funds realized from corporate receipts, authorized corporate borrowings and National Government budgetary support either in the form of subsidy, equity or loans outlay.
2. Any increase 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 a supplemental COB to cover the additional expenditures.
3. Disbursement for Personnel Services (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 201 for GOCCs not covered by RA 10149 and EO 203 and amendments thereto for GOCCs covered by RA 10149. Such expenditures shall be subject to relevant conditions under the 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, as the case maybe.
4. Disbursements for extraordinary and miscellaneous expenses (EME) and other MOOE expenditures shall be subject to relevant provision of the annual GAA.
5. Equipment outlays included in the Annual 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/Supervising Department for motor vehicles), the same shall be secured before acquisition thereof in accordance with Corporate Budget Circular No. 17 dated February 9, 1996, Budget Circular No. 2017-1 (amending BC No. 2016-5) dated April 26, 2017, and AO No. 15 (amending AO 233,s. 2008), dated May 25, 2011, Office of the President Memorandum Circular No. 9 dated December 14, 2010, among
6. The fiscal discipline measures prescribed under A.O. No. 103 dated August 31, 2004 shall be strictly observed.
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.

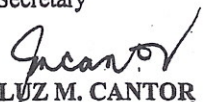
Any and all officials or employees who will authorize, allow or permit, as well as those who are negligent in the performance of their duties and functions which resulted in the incurrence or payment of unauthorized and unlawful obligation or expenditure shall be personally liable to

Recommending Approval:

Approved:

By Authority of the Secretary

  
**LORENZO C. DRAPETE**  
Director, BMB - C

  
**LUZ M. CANTOR**  
Undersecretary

Date: **SEP 05 2017**

COB No. C4-17-0031

cc: The Chairman  
Board of Directors, LBP

Assistant Commissioner Lourdes M. Castillo  
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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