

G15-10-46-30473



REPUBLIC OF THE PHILIPPINES
 DEPARTMENT OF BUDGET AND MANAGEMENT
 GEN. SOLANO ST., SAN MIGUEL, MANILA

OCT 21 2015

Atty. Armando R. Crobalde, Jr.
 OIC-President
 Quedan and Rural Credit Guarantee Corporation (QUEDANCOR)
 Quedancor Center
 34 Panay Avenue, Quezon City

Dear President Crobalde:

This pertains to your request for reconsideration of the disallowance on Transportation Allowance of P342,000 in the FY 2015 approved Corporate Operating Budget (COB) of QUEDANCOR.

Per approved FY 2015 COB of Quedancor, the disallowance of Transportation Allowance of P342,000 is computed as follows:

Position Title	Agency Proposal			DBM Approved			Disallowance		
	RA	TA	TOTAL	RA	TA	TOTAL	RA	TA	TOTAL
President	120,000	120,000	240,000	120,000		120,000	-	120,000	120,000
Executive VP	102,000	102,000	204,000	102,000		102,000	-	102,000	102,000
Board Secretary V *	60,000	60,000	120,000	-		-	60,000	60,000	120,000
	282,000	282,000	564,000	222,000	-	222,000	60,000	282,000	342,000

* The Board Secretary V position is not entitled to RATA was advertently omitted in the disallowance remarks of the FY 2015 COB of QUEDANCOR.

As represented, the QUEDANCOR's OIC-President and the Executive Vice-President both do not have any assigned official government service vehicle per submitted certification signed by Mr. Arsenio S. Tecson, Assistant Vice-President, General Service Division, dated September 28, 2015.

In view of the foregoing, an additional amount of P222,000 in QUEDANCOR's FY 2015 COB level is hereby approved for Transportation Allowance of P120,000 for the OIC-President and P102,000 for the Executive Vice-President.

Very truly yours,

By Authority of the Secretary:

Ignacio
LUZ M. CANTOR
 Undersecretary

Department of Budget and Management

BTS



2015-S09281L

under file
DBM



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REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
BUDGET AND MANAGEMENT BUREAU FOR GOOD GOVERNANCE
MALACAÑANG, MANILA

CORPORATE OPERATING BUDGET
Calendar Year 2015

TO: QUEDAN AND RURAL CREDIT GUARANTEE CORPORATION (QUEDANCOR)

Your Corporate Operating Budget (COB) for Calendar Year 2015 per approved Board Resolution No. 684 (Original) dated December 16, 2014 and 716 (Supplemental) dated June 17, 2015 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 **FIVE HUNDRED SIXTEEN MILLION SIX HUNDRED EIGHTEEN THOUSAND PESOS ONLY (P516,618,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 548,357,000	P 548,357,000	P -
Corporate Funds	311,840,000	311,840,000	-
National Government (NG) Support	236,517,000 a/	236,517,000	-
TOTAL USES:	P 548,357,000	P 516,618,000	P (31,739,000)
Personnel Services (PS)	330,040,000	328,732,000	(1,308,000) b/
Maintenance and Other Operating Expenses (MOOE)	193,898,000	163,467,000	c/ (30,431,000)
Capital Outlays (CO)	24,419,000	24,419,000	d/ -
Excess/(Shortfall)	P -	P 31,739,000	P 31,739,000

Footnotes:

a/ As appropriated under the Pension and Gratuity Fund in the Republic Act (R.A.) No. 10651, FY 2015 General Appropriations Act (GAA), for the payment of separation benefits and/or incentives under Executive Order No. 366, as amended.

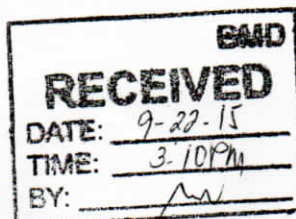
b/ The variance of P1,308,000 pertains to the following:

Particulars	Amount	Remarks
A. Overprovision of:		
• Representation and Transportation Allowances	342,000	- Based on rates provided in Republic Act (R.A.) No. 10651 (FY 2015 GAA), excluding provision of Transportation Allowance for two (2) officials with assigned vehicles
• Per Diems of Members of the Governing Board	408,000	- Based on rates provided in Sections 9 and 10 of Executive Order No. 24, series of 2011, excluding Ex-officio Members and Corporate Secretary
	<u>750,000</u>	
B. Disallowance of:		
• Loyalty Pay	130,000	- Chargeable against savings
• Overtime Pay	62,000	- Chargeable against savings
• Incentive Reward	36,000	- No legal basis
• Hospitalization	330,000	- No legal basis
	<u>558,000</u>	
Total	<u>1,308,000</u>	

c/ MOOE level is computed considering audited expenses for the previous years and the effects of inflation. The amount authorized for Extraordinary and Miscellaneous Expenses at P132,000 is based on the prescribed rates in the FY 2015 GAA.

d/ CO is intended for the following:

Loans Outlay	P	19,000,000
Office Equipment, Furniture and Fixtures		1,658,000
Information Technology		3,761,000
TOTAL	P	<u>24,419,000</u>



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. Nos. 7 and 24 dated September 8, 2010 and February 10, 2011, respectively. Such expenditures shall also be conditioned on the relevant General Provisions of R.A. No. 10651, the FY 2015 GAA (ex. Representation and Transportation Allowances under Section 53, 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 39, General Provisions of R.A. No. 10651.
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/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, National Budget Circular Nos. 446 and 446-A dated November 24, 1995 and January 30, 1998, respectively, Budget Circular No. 2010-2 dated March 1, 2010, Administrative Order (A.O.) No. 233 dated August 1, 2008, 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:

Lorenzo C. Drapete
LORENZO C. DRAPETE
 Director, BMB-C

Approved:
By Authority of the Secretary:

Luiz M. Cantor
LUZ M. CANTOR
 Undersecretary

Date: SEP 14 2015

COB-C1-15-0015

- cc: **The Chairman**
Board of Directors, QUEDANCOR
- Assistant Commissioner Lourdes M. Castillo**
Commission on Audit (COA) - Central Office
COA Building, Quezon City
- The Resident Auditor**
COA - QUEDANCOR

Department of Budget and Management
BTS



2015-S08269