



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

CORPORATE OPERATING BUDGET
Fiscal Year 2022

TO: POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION (PSALM)

Your Corporate Operating Budget (COB) for FY 2022 per approved Board Resolution Nos. 2021-0224-02 dated February 24, 2021, 2022-0126-05 dated January 26, 2022, 2022-0223-04 dated February 23, 2022, 2022-0323-02 dated March 23, 2022 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 HUNDRED EIGHTY-TWO BILLION SEVEN HUNDRED SIXTY-SIX MILLION FOUR HUNDRED EIGHTY-NINE THOUSAND PESOS ONLY (P182,766,489,000.00)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES	P 186,628,564,000	P 186,628,564,000	P -
Corporate Funds	117,628,564,000	117,628,564,000	-
Borrowings	61,000,000,000	61,000,000,000	-
National Government (NG) Subsidy	8,000,000,000	8,000,000,000	-
TOTAL USES	P 184,007,619,000	P 182,766,489,000	P (1,241,130,000)
Personnel Services (PS)	1,003,429,000	1,003,429,000	a/ -
Maintenance & Other Operating Expenses (MOOE)	182,970,174,000	181,729,244,000	b/ (1,240,930,000)
Capital Outlays (CO)	34,016,000	33,816,000	c/ (200,000)
Excess	P 2,620,945,000	P 3,862,075,000	P (1,241,130,000)

Footnotes:

a/ The recommended PS level considers the pending request for reconsideration of the PSALM Corporation of its category from Category 1 to Category 2 under the Compensation and Position Classification System (CPCS) issued by the Governance Commission for Government-Owned or Controlled Corporations (GCG) pursuant to Executive Order No. 150 dated October 1, 2021, its implementing rules and regulations, and corresponding CPCS circulars for each PS item.

b/ The recommended MOOE level is computed considering the prior year's performance on budget utilization except for financial expenses and those items covered by contracts which are recommended as proposed, and Extraordinary and Miscellaneous Expenses (EME) which are computed based on prescribed rates by the GCG. The variance of P1,240,930,000.00, pertains to the effect of the preceding year's Budget Utilization Rate (BUR).

c/ The recommended CO level considers the implementation-readiness of the projects and activities under the respective CO items which are expected to be completed within the year as certified by the Corporation.

The purchase of transportation equipment shall be consistent with the following guidelines:

- Per Section 5 of Administrative Order (AO) No. 14 dated December 10, 2018, the proposed acquisition of motor vehicles is delegated to the Department of Budget and Management and approved through issued Authority to Purchase Motor Vehicle (APMV) No. C2-0025 dated May 11, 2022.
- Procuring entities may undertake their own procurement of motor vehicles pursuant to GPPB Resolution No. 20-2019 which delisted the motor vehicles from the list of Common-Use Supplies and Equipment to be procured thru the Procurement Service (PS).


Notwithstanding the aforementioned variances in MOOE and CO, the PSALM still has the flexibility to modify its utilization within the DBM-approved budget level for items funded out of corporate funds.

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

1. All expenditures, whether for current operating expenditures or for COs, shall be made within the limits of available funds realized from corporate receipts, authorized corporate borrowings and NG 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. This approval shall not be construed as an authorization for specific expenditure items under PS which requires prior approval by the OP. **Disbursements 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. 150 for Government-Owned or-Controlled Corporations (GOCCs) covered by RA No. 10149. Such expenditures shall also be subject to relevant conditions under the GPs 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 Governance Commission for GOCCs, as the case may be.
4. Disbursements for Extraordinary and Miscellaneous Expenses and other MOOE expenditures shall be subject to the relevant provisions of the annual GAA, among others.
5. For equipment outlays included in the Annual Procurement Program that require specific clearance/approval from the agencies concerned, 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 the provisions of the Budget Circular No. 2022-1 (Omnibus Guidelines on the Acquisition, Use, Rental, and Replacement of Motor Vehicles), RA No. 9184 (Government Procurement Reform Act) and its Implementing Rules and Regulations, among others.
6. Electronic payment shall be observed in the disbursement of corporate and public funds. In case when the same is impracticable, the GOCC shall be allowed to continue with the existing payment scheme.
7. Notwithstanding the repeal of 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.
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:


MARIA GRACE M. DE LOS SANTOS
Director, BMB-C

Date: *16 August 2022*

Approved by:

By Authority of the Secretary:


TINA ROSE MARIE L. CANDA
Undersecretary

cf: **The Chairman**
Board of Directors, PSALM

The Assistant Commissioner Winnie Rose H. Encallado
Commission on Audit (COA) - Central Office
COA Building, Quezon City

The Resident Auditor
COA - PSALM



COB No. C2-22-0017

AUG 17 2022

Date: _____