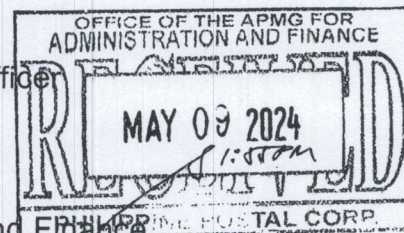


FOR : **MR. LUIS D. CARLOS**  
Acting Postmaster General and Chief Executive Officer  
This Corporation

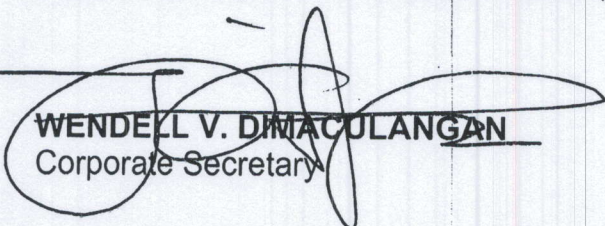
ATTENTION : **ATTY. LORI ANN D. ATAL**  
Assistant Postmaster General for Administration and Finance

SUBJECT : **DBM-Approved Corporate Operating Budget for FY2024 of PHLPost**

DATE : 09 May 2024



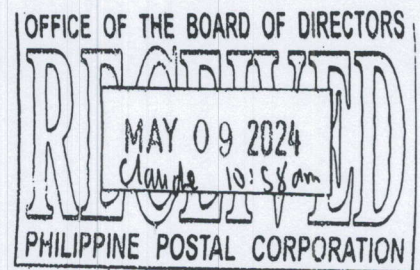
Transmitted herewith is the copy of the approval of the Department of Budget and Management (DBM) of the Corporate Operating Budget of the Philippine Postal Corporation for Fiscal Year 2024 in the total amount of Four Billion Five Hundred Sixty-Two Million Two Hundred Ninety-Nine Thousand Pesos (PhP4,562,299.000.00).

  
**WENDELL V. DIMACULANGAN**  
Corporate Secretary





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



**CORPORATE OPERATING BUDGET**

Fiscal Year 2024

**TO: PHILIPPINE POSTAL CORPORATION (PHLPost)**

Your Corporate Operating Budget (COB) for FY 2024 per Secretary's Certificate on Board Resolution No. 2023-42 dated April 19, 2023 with subsequent realignment per Board Resolution No. 2023-160 dated December 12, 2023, 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 **FOUR BILLION FIVE HUNDRED SIXTY-TWO MILLION TWO HUNDRED NINETY-NINE THOUSAND PESOS ONLY (P4,562,299,000.00)**, details of which are shown below:

| PARTICULARS                                   | PROPOSAL<br>(a)        | APPROVED<br>(b)        | VARIANCE<br>(c=b-a)    |
|---|------------------------|------------------------|------------------------|
| <b>TOTAL SOURCES</b>                          | <b>P 5,370,605,000</b> | <b>P 4,893,925,000</b> | <b>P (476,680,000)</b> |
| Corporate Funds                               | 4,823,925,000          | 4,823,925,000          | -                      |
| National Government (NG) Subsidy              | 546,680,000            | 70,000,000             | (476,680,000)          |
| Regular                                       | 70,000,000             | 70,000,000             | -                      |
| Unprogrammed Funds                            | 476,680,000            | -                      | (476,680,000) a/       |
| <b>TOTAL USES</b>                             | <b>P 5,355,862,000</b> | <b>P 4,562,299,000</b> | <b>P (793,563,000)</b> |
| Personnel Services (PS)                       | 2,435,879,000          | 2,435,879,000 b/       | -                      |
| Maintenance & Other Operating Expenses (MOOE) | 2,298,804,000          | 1,505,241,000 c/       | (793,563,000)          |
| Capital Outlays (CO)                          | 621,179,000            | 621,179,000 d/         | -                      |
| <b>Excess/ (Shortfall)</b>                    | <b>P 14,743,000</b>    | <b>P 331,626,000</b>   | <b>P (316,883,000)</b> |

**Footnotes:**

a/ The variance represents proposed additional subsidy for the reimbursement of franking privilege with recognized government agencies/persons which was not included in the authorized purposes from which the Unprogrammed Appropriations may be used under FY 2024 General Appropriations Act (GAA).

b/ The recommended PS level considered the PHLPost's adoption of the Compensation and Position Classification System (CPCS) authority per Governance Commission for Government-Owned or -Controlled Corporations (GCG) approval dated May 31, 2022. The said CPCS approval expressly authorizes the PHLPost to implement the authorized CPCS Job Grade equivalent positions, pursuant to Executive Order (EO) No. 150 dated October 1, 2021, its Implementing Rules and Regulations, and the corresponding CPCS Circular for each PS item.

c/ The approved MOOE level is computed considering the PHLPost's absorptive capacity for the three (3) immediately preceding years, wherein the highest Budget Utilization Rate (BUR) is applied to MOOE items, except for expenses with contracts which are recommended as proposed. The variance amounting P793,563,000.00 pertains to the effect of the preceding year's BUR, and the additional MOOE requirements being proposed to be charged against the Unprogrammed Appropriations under the FY 2024 GAA.

d/ 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 PHLPost.

The CO includes proposed acquisition of fifty-six (56) Motor Vehicles (MVs), of which, nine (19) vehicles are already included under issued Authority to Purchase Motor Vehicle (APMV) No. C-23-0034 dated May 3, 2023. On the other hand, the corresponding APMV for thirty-seven (37) units of MVs amounting P 44.133 Million shall be issued separately upon submission by the PHLPost to this Department of the documentary requirements pursuant to Items 12.3 and 13.1 of Budget Circular (BC) No. 2022-01 dated February 11, 2022.

**Notwithstanding the aforementioned variances in MOOE, the PHLPost still has the flexibility to modify its utilization within the total DBM-approved budget level.**

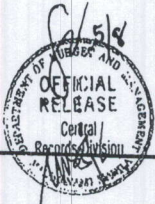
Further, the following conditions shall be observed and complied with:

- 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 Office of the President (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 dated March 22, 2016 as amended by EO No. 36 dated July 25, 2023 for Government-Owned and-Controlled Corporations (GOCCs) covered by RA No. 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 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 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, and OP/Department of Budget and Management/Supervising Department for the purchase of MV, in accordance with Budget Circular (BC) No. 2022-1 dated February 11, 2022 [Omnibus Guidelines on the Acquisition, Use, Rental, and Replacement of MVs], 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 the same is impracticable, the GOCC shall be allowed to continue with the existing payment scheme.
- 7. Pursuant to AO No. 6 dated September 19, 2017, no irregular, unnecessary, extravagant, excessive and unconscionable expenses shall be incurred. Furthermore, existing laws, rules and regulations mandating the judicious and prudent use of government funds shall be observed.
- 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 existing laws, rules and regulations.
- 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:**

for: *Lulu P. Vispo* Digitally signed  
by Lulu P. Vispo  
**ELENA REGINA S. BRILLANTES**  
Director IV, BMB-C *claw*



**Approved by:**

*[Signature]*  
**AMENAH F. PANGANDAMAN**  
Secretary, DBM

**The Chairman**  
Board of Directors, PHLPost

**Assistant Commissioner for Corporate Government Audit Sector**  
Commission on Audit (COA) - Central Office  
COA Building, Quezon City

**The Resident Auditor**  
COA - PHLPost

**COB No. C1-24-0052**  
Date: MAY 07 2024