

E. BUREAU OF THE TREASURY

STRATEGIC OBJECTIVES

- MANDATE : The Bureau of the Treasury (BTr) acts as principal custodian of the National Government (NG). It makes funds available for the various programs and projects of the government. It assists in the formulation of policies on borrowing, investment and capital market development, in managing the cash resources, collecting taxes made by NG and guarantee forward cover fees due NG, and in controlling and servicing its public debt, both foreign or domestic.
- VISION : To be pro-active manager of public funds characterized by active duration management, minimization of interest rate risks and hedging of financial risks.
- MISSION : To efficiently and effectively manage the financial resources of government by maximizing revenues from available funds and minimizing costs of financing.
- KEY RESULT AREAS : Anti-corruption/transparent, accountable and participatory governance
- SECTOR OUTCOME : Fiscal strength
- ORGANIZATIONAL OUTCOME : 1. Efficiency in cash management improved
2. Efficiency in debt management improved

SECTION 1 : EXPENDITURE PROGRAM
(in pesos)

No. / Code	GASS / STO / OPERATIONS / PROJECTS	2014 Actual	2015 Current	2016 Proposed
00000100000000	General Administration and Support	4,949,627,000	229,039,000	203,426,000
	PS	89,818,000	41,609,000	95,206,000
	MOOE	3,738,154,000	157,430,000	102,095,000
	CO	1,121,655,000	30,000,000	6,125,000
00000200000000	Support to Operations	61,820,000	68,555,000	100,269,000
	PS	16,739,000	19,634,000	19,753,000
	MOOE	45,081,000	48,921,000	80,516,000

000003000000000	Operations	<u>376,261,000</u>	<u>469,690,000</u>	<u>669,017,000</u>
	PS	299,406,000	315,296,000	317,204,000
	MOOE	76,855,000	94,394,000	121,745,000
	CO		60,000,000	230,068,000
	Projects	<u>506,750,000</u>	<u>726,603,000</u>	<u>726,603,000</u>
	MOOE	5,750,000	26,603,000	26,603,000
	FinEx	501,000,000	700,000,000	700,000,000
TOTAL AGENCY BUDGET		<u>5,894,458,000</u>	<u>1,493,887,000</u>	<u>1,699,315,000</u>
	PS	405,963,000	376,539,000	432,163,000
	MOOE	3,865,840,000	327,348,000	330,959,000
	FinEx	501,000,000	700,000,000	700,000,000
	CO	1,121,655,000	90,000,000	236,193,000

STAFFING SUMMARY

	<u>2014</u>	<u>2015</u>	<u>2016</u>
TOTAL STAFFING			
Total Number of Authorized Positions	1,282	1,282	1,282
Total Number of Filled Positions	780	780	780

OPERATIONS BY MFO

PROPOSED 2016

	<u>PS</u>	<u>MOOE</u>	<u>CO</u>	<u>TOTAL</u>
MFO 1: CASH MANAGEMENT SERVICES	251,248,000	88,820,000	230,068,000	570,136,000
MFO 2: MANAGEMENT OF PUBLIC DEBTS	38,359,000	32,925,000		71,284,000

SECTION 2 : EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2016
(in pesos)

REGION	<u>PS</u>	<u>MOOE</u>	<u>FinEx</u>	<u>CO</u>	<u>TOTAL</u>
CENTRAL OFFICE	399,263,000	330,959,000	700,000,000	236,193,000	1,666,415,000
TOTAL AGENCY BUDGET	<u>399,263,000</u>	<u>330,959,000</u>	<u>700,000,000</u>	<u>236,193,000</u>	<u>1,666,415,000</u>

SECTION 3 : SPECIAL PROVISION(S)

1. Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the following activities in the indicated amounts and conditions:

SECTION 4 : PERFORMANCE INFORMATION

KEY STRATEGIES :

1. Maximize income earned from BTr-managed funds
2. Prudent liability management
3. Effective management of government assets
4. Enhanced business processes thru implementation of DMFAS version 6 and Treasury Single Account (TSA) Project
5. BTr Rationalization Program implemented
6. Professional Development Program pursued at BTr
7. IT systems upgraded and servers/hardware components installed for effective implementation of DMFAS version 6 and TSA
8. Internal procedures enhanced and compliant with good governance principles

ORGANIZATIONAL OUTCOMES (Oos) / PERFORMANCE INDICATORS (PIs)	Baseline	2016 Targets
Efficiency in cash management improved Adequacy of cash holdings ensured	BSP; PhilPASS, TRAMS	Maintain a sufficient cash buffer to cover deviations from the cash forecast*
Yield/returns on cash balances of NG maximized	Cash Operation Report (COR)	Earn at the rate of 1.5% per annum on NG cash balances NG Average Interest Rate: (Year, USD Rate, PHP Rate): [2012, - , 2.3018%]; [2013, - , 1.5957%]; [2014, 0.0614%, 1.73%]; [Jan1-May 7, 2015, 0.09%, 2.00%]
Efficiency in debt management improved Interest payments relative to program maintained	Cash Operation Report (COR)	Actual interest payments < or = latest approved program* Interest Savings for 2012-2014 2012 - 1.53% 2013 - 2.65% 2014 - 8.90%
Average Time to Maturity (ATM) maintained	BTr Debt Indicators	ATM of NG debt portfolio maintained above 7 years Average Maturity (residual, in years); 2012 - 2014 2012 - 10.96 2013 - 10.89 2014 - 11.13 As of March 2015 - 11.77
% of foreign borrowings to total borrowing requirements	Cash Operation Report (COR)	</= 25%* Foreign Financing (% of total); 2012 - 2014 2012 - 16.4 2013 - 6.1 2014 - 26.8**
MFO / PIs		2016 Targets

MFO 1: CASH MANAGEMENT SERVICES

Fund the budgetary and non-budgetary expenses of NG	
% of replenishment of validated paid MDS checks	100% replenishment
NG income reports submitted within the prescribed schedule	On time submission
% of paid MDS checks replenished within the set schedule	daily before cut-off time
Interest income on deposits and BSF/SSF investment (In Million Pesos)	29,343
NG Income remitted to BTr (In Million Pesos)	21,725

MFO 2: MANAGEMENT OF PUBLIC DEBTS

Monitor and service NG Debt	
Amount of debt service (In Million Pesos)	816,987
% of matured NG debt paid	100% of NG debt matured
NG debt paid prior to due date	as NG debt fall due
Issuance of government securities	
Volume of government securities issued and redeemed (in million pesos)	643,228
Average interest rate for the 364-day T-bills maintained over the last three (3) years	3%
Auction of government securities conducted as scheduled	as scheduled

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
New General Appropriations	1,049,002	1,460,987	1,666,415
General Fund R.A. No. 10633	1,049,002	1,460,987	1,666,415
Automatic Appropriations	5,747,029	32,900	32,900
Grant Proceeds	2,062,250		
Customs Duties and Taxes, including Tax Expenditures	3,652,380		
Retirement and Life Insurance Premiums	32,399	32,900	32,900
Continuing Appropriations	18,119	919,528	
Unreleased Appropriation for Capital Outlays R.A. No. 10652		639,228	
Unreleased Appropriation for MOOE R.A. No. 10652		164,152	
Unreleased Appropriation for FinEx R.A. No. 10652		100,407	
Unobligated Releases for MOOE R.A. No. 10352	18,119		
R.A. No. 10633		15,741	
Supplemental Appropriations	903,787		
General Fund R.A. No. 10652	903,787		
Budgetary Adjustment(s)	1,133,931		
Transfer(s) from:			
International Commitments Fund	1,077,185		
Miscellaneous Personnel Benefits Fund	10,536		
Pension and Gratuity Fund	46,210		
Total Available Appropriations	8,851,868	2,413,415	1,699,315
Unused Appropriations	(2,957,410)	(919,528)	
Unreleased Appropriation	(903,787)	(903,787)	
Unobligated Allotment	(2,053,623)	(15,741)	
TOTAL OBLIGATIONS	5,894,458	1,493,887	1,699,315
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Proposed New Appropriations Language

For general administration and support, support to operations, and operations, including locally-funded project, as indicated hereunder.....P 1,666,415,000
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New Appropriations, by Programs/Activities/Projects, by Operating Units

		<u>Current Operating Expenditures</u>				
		<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Financial Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
PROGRAMS						
000001000000000	General Administration and Support	91,631,000	102,095,000		6,125,000	199,851,000
000001000100000	General Administration	38,904,000	102,095,000		6,125,000	147,124,000
103001000100001	Central Office	P 38,904,000	P 102,095,000		P 6,125,000	P 147,124,000

	National Capital Region (NCR)	38,904,000	102,095,000	6,125,000	147,124,000
	Central Office	38,904,000	102,095,000	6,125,000	147,124,000
103001000200000	Administration of Personnel Benefits	52,727,000			52,727,000
	National Capital Region (NCR)	52,727,000			52,727,000
	Central Office	52,727,000			52,727,000
	Sub-total, General Administration and Support	91,631,000	102,095,000	6,125,000	199,851,000
000002000000000	Support to Operations	18,025,000	80,516,000		98,541,000
103002000100000	Provision of legal services including the conduct of research and investigation	6,795,000	7,398,000		14,193,000
	National Capital Region (NCR)	6,795,000	7,398,000		14,193,000
	Central Office	6,795,000	7,398,000		14,193,000
103002000200000	Information systems and IT support services	11,230,000	73,118,000		84,348,000
	National Capital Region (NCR)	11,230,000	73,118,000		84,348,000
	Central Office	11,230,000	73,118,000		84,348,000
	Sub-total, Support to Operations	18,025,000	80,516,000		98,541,000
000003000000000	Operations	289,607,000	121,745,000	230,068,000	641,420,000
000003010000000	MFO 1: CASH MANAGEMENT SERVICES	251,248,000	88,820,000	230,068,000	570,136,000
101003010100000	Cash management funding and investment of excess funds	34,051,000	17,633,000	230,068,000	281,752,000
	National Capital Region (NCR)	34,051,000	17,633,000	230,068,000	281,752,000
	Central Office	34,051,000	17,633,000	230,068,000	281,752,000
101003010200000	Accounting for receipts and disbursements	67,658,000	16,535,000		84,193,000
	National Capital Region (NCR)	67,658,000	16,535,000		84,193,000
	Central Office	67,658,000	16,535,000		84,193,000
101003010300000	Accounting and monitoring of all collections and disbursements of the NG, and evaluation of claims against Fidelity Fund	149,539,000	54,652,000		204,191,000
	National Capital Region (NCR)	149,539,000	54,652,000		204,191,000
	Central Office	149,539,000	54,652,000		204,191,000
000003020000000	MFO 2: MANAGEMENT OF PUBLIC DEBTS	38,359,000	32,925,000		71,284,000
000003020100000	Portfolio management	7,663,000	13,219,000		20,882,000
101003020100001	Securities origination and auction of government securities	2,786,000	5,711,000		8,497,000
	National Capital Region (NCR)	2,786,000	5,711,000		8,497,000
	Central Office	2,786,000	5,711,000		8,497,000

134 EXPENDITURE PROGRAM FY 2016 VOLUME II

101003020100002	Transaction settlement and registration	4,877,000	7,508,000		12,385,000
	National Capital Region (NCR)	4,877,000	7,508,000		12,385,000
	Central Office	4,877,000	7,508,000		12,385,000
101003020200000	Policies on debt, cash resources, financial assets and preparation of estimates for foreign and domestic borrowings and debt service	30,696,000	19,706,000		50,402,000
	National Capital Region (NCR)	30,696,000	19,706,000		50,402,000
	Central Office	30,696,000	19,706,000		50,402,000
Sub-total, Operations		289,607,000	121,745,000	230,068,000	641,420,000
TOTAL PROGRAMS AND ACTIVITIES		P 399,263,000	P 304,356,000	P 236,193,000	P 939,812,000
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000004000000000	Locally-Funded Projects		26,603,000	700,000,000	726,603,000
000004100000000	Governance		26,603,000	700,000,000	726,603,000
000004100400000	Systems Development		26,603,000	700,000,000	726,603,000
101004100400001	Development of the Treasury Single Account (TSA)		26,603,000	700,000,000	726,603,000
	National Capital Region (NCR)		26,603,000	700,000,000	726,603,000
	Central Office		26,603,000	700,000,000	726,603,000
Sub-total, Locally-Funded Project(s)			26,603,000	700,000,000	726,603,000
TOTAL PROJECTS			P 26,603,000	P 700,000,000	P 726,603,000
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TOTAL NEW APPROPRIATIONS		P 399,263,000	P 330,959,000	P 700,000,000	P 236,193,000
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Obligations, by Object of Expenditures

CYs 2014-2016
(In Thousand Pesos)

	2014	2015	2016
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	247,398	274,170	274,167
Total Permanent Positions	<u>247,398</u>	<u>274,170</u>	<u>274,167</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	16,811	18,720	18,720
Representation Allowance	8,124	6,786	6,786
Transportation Allowance	6,259	6,654	6,654
Clothing and Uniform Allowance	3,495	3,900	3,900
Productivity Incentive Allowance	1,504	1,560	
Overtime Pay	3,520		1,000
Year End Bonus	20,690	22,859	22,847
Cash Gift	3,692	3,900	3,900
Step Increment		687	1,262
Productivity Enhancement Incentive	3,464		3,900
Performance Based Bonus	7,068		

Total Other Compensation Common to All	74,627	65,066	68,969
Other Compensation for Specific Groups			
Magna Carta for Public Social Workers	225	38	38
Longevity Pay	695		
Allowance of Attorney's de Officio	2		
Other Personnel Benefits	2,946		647
Total Other Compensation for Specific Groups	3,868	38	685
Other Benefits			
Retirement and Life Insurance Premiums	29,603	32,900	32,900
PAG-IBIG Contributions	825	940	936
PhilHealth Contributions	2,248	2,485	2,490
Employees Compensation Insurance Premiums	848	940	936
Retirement Gratuity	46,190		34,978
Terminal Leave	356		16,102
Total Other Benefits	80,070	37,265	88,342
TOTAL PERSONNEL SERVICES	405,963	376,539	432,163
Maintenance and Other Operating Expenses			
Travelling Expenses	14,851	6,518	15,500
Training and Scholarship Expenses	7,228	7,478	13,500
Supplies and Materials Expenses	17,705	10,799	26,100
Utility Expenses	41,209	42,550	45,804
Communication Expenses	8,511	13,956	18,356
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	2,631	2,878	2,878
Professional Services	19,529	53,094	72,524
General Services	20,554	22,279	27,547
Repairs and Maintenance	31,453	42,896	64,192
Taxes, Insurance Premiums and Other Fees	3,662,506	104,930	22,714
Other Maintenance and Operating Expenses			
Advertising Expenses	240	650	1,120
Printing and Publication Expenses	432	150	500
Representation Expenses	1,234	945	970
Transportation and Delivery Expenses	651	250	586
Rent/Lease Expenses	16,838	17,755	17,899
Membership Dues and Contributions to Organizations			66
Subscription Expenses	267	220	703
Other Maintenance and Operating Expenses	20,001		
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	3,865,840	327,348	330,959
Financial Expenses			
Other Financial Charges	501,000	700,000	700,000
TOTAL FINANCIAL EXPENSES	501,000	700,000	700,000
TOTAL CURRENT OPERATING EXPENDITURES	4,772,803	1,403,887	1,463,122
Capital Outlays			
Investment Outlay			230,068
Investment Property Outlay	1,077,185		
Property, Plant and Equipment Outlay			
Buildings and Other Structures		90,000	
Machinery and Equipment Outlay	44,470		
Transportation Equipment Outlay			6,125
TOTAL CAPITAL OUTLAYS	1,121,655	90,000	236,193
GRAND TOTAL	5,894,458	1,493,887	1,699,315