




REPUBLIC OF THE PHILIPPINES
METROPOLITAN NAGA WATER DISTRICT
40 J. MIRANDA AVENUE, NAGA CITY

FINANCE DEPARTMENT

PROCEDURES AND WORK INSTRUCTIONS MANUAL (PAWIM)

(FDPW02) BUDGETING

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|  | METROPOLITAN NAGA WATER DISTRICT | | Document Code: FDPW02 | | |
| | PROCEDURE | | | Revision No.: | 0 |
| | BUDGETING | | | Effectivity Date: | March 2017 |
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Revision Status

This list identifies the revisions made in this section. The date refers to the date this section was made effective and implemented and not to the date the document was signed or printed.

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Metropolitan Naga Water District Quality Management System

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1. PURPOSE

1.1. This document describes the procedures on budget preparation and monitoring as one of the support processes of the MNWD.

1.2. The objectives of Budgeting are:

- 1.2.1. To come up with a financial plan which will be used for evaluation and decision making.
- 1.2.2. To ensure proper allocation and proper utilization of the district's financial resources.
- 1.2.3. To establish control over the district's expenditures.
- 1.2.4. To ensure that the district's expenditures are properly aligned with its objectives.

2. SCOPE

This procedure will apply to the MNWD- Quality Management System on one support process which is Budgeting which focuses on the:

- 2.1.1. Budget preparation
- 2.1.2. Budget monitoring

3. DEFINITION OF TERMS AND ACRONYMS

Refer to "[Annex A](#)" for the GLOSSARY OF TERMS and "[Annex B](#)" for the ACRONYMS.


4. RESPONSIBILITIES

4.1. TREASURY AND BUDGET DIVISION

- 4.1.1. Responsible for the financial plan of the water district for the given period of time embodying the statement of income and estimated expenditures for the implementation of the agency program and activities in pursuit of its mandates, goals and objectives.
- 4.1.2. In-charge of the MNWD's proper utilization of resources and close monitoring by providing proper guidance as to how the MNWD could maximize its resources and would not result to overspending.
- 4.1.3. Accountable for the proper classification and monitoring of the charges or expenses and balances of the budget.

5. PROCEDURES

This section describes the procedures involved in one of the support processes of the District which is the Budgeting process.

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5.1. PROCEDURE DETAILS: BUDGET PREPARATION AND MONITORING


- 5.1.1. Budget call is issued by the General Manager through an office memorandum.
- 5.1.2. Each division drafts their respective estimated budget for the budget year. These are submitted to the Treasury and Budget Division for budget consultation and review with the Senior Corporate Budget Specialist.
- 5.1.3. Budget deliberation is conducted and participated by the General Manager, Division Managers and the Senior Corporate Budget Specialist.
- 5.1.4. Estimated revenues, priority projects and expenditures are considered during the deliberation process.
- 5.1.5. Final budget for each division is submitted to the Senior Corporate Budget Specialist.
- 5.1.6. Senior Corporate Budget Specialist consolidate all the submitted division budget.
- 5.1.7. Consolidated Corporate Operating Budget is presented to the Board of Directors for their evaluation and approval.
- 5.1.8. Once approved, the Department of Budget and Management is provided with a copy of the Corporate Operating Budget.

5.2. PROCEDURE DETAILS: BUDGET MONITORING


- 5.2.1. Approved Corporate Operating Budget is recorded to the Registry of Budget Utilization. This is the basis to verify every expenditures of each divisions.
- 5.2.2. For every disbursement, the Senior Corporate Budget Specialist will prepare Budget Utilization Slip (BUS). Attached to BUS are the complete supporting documents. The BUS is signed by the concerned Division Manager to certify for the said expenditure.
- 5.2.3. Budget Utilization Slip is also forwarded to the Division Manager of Finance Department for the certification of availability of funds.
- 5.2.4. Expenditures are then recorded to the Registry of Budget Utilization. The BUS together with its complete documents are then forwarded to the accounting unit for further processing of the disbursement.
- 5.2.5. At the end of the month, Summary of Budget and Actual Expense is prepared by the Senior Corporate Budget Specialist to monitor the utilization of the budget of every division. Copies of the summary will then be furnished to the Division Managers of each division.
- 5.2.6. Statement of Budget Utilization is prepared at the end of the month to summarize the utilization of the approved corporate budget.

6. FORMS AND TEMPLATES


6.1. BUDGET MONITORING

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- 6.1.1. Budget Utilization Slip – “[FDF11](#)”
- 6.1.2. Registry of Budget Utilization – “[FDF12](#)”
- 6.1.3. Summary of Budget and Actual Expenses – “[FDF13](#)”

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| | ANNEX A | | Revision No.: 0 |
| | GLOSSARY OF TERMS | | Effectivity Date: March 2017 |
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| TERMS | DEFINITION |
|---|--|
| BUDGET UTILIZATION SLIP | AN ACKNOWLEDGEMENT THAT THE CLAIMS/CHARGES AGAINST THE BUDGET IS NECESSARY, LAWFUL AND THAT THE BUDGET IS AVAILABLE, BY THE REQUESTING UNIT AND BY THE HEAD OF THE BUDGET SECTION. |
| CORPORATE OPERATING BUDGET | REFERS TO THE DETAILED PROJECTION OF ALL ESTIMATED INCOME AND EXPENSES OF THE DISTRICT BASE ON FORECASTED REVENUE IN A GIVEN YEAR. |
| REGISTRY OF BUDGET UTILIZATION (RBU) | THIS REFERS TO THE RECORD TO MONITOR THE APPROVED BUDGET AND THE CORRESPONDING EXPENDITURE/CHARGES DURING THE YEAR. THIS IS CATEGORIZED INTO FOUR, NAMELY, RBU-PERSONAL SERVICES, RBU-MAINTENANCE AND OTHER OPERATING EXPENSES, RBU-FINANCIAL EXPENSES AND RBU-CAPITAL OUTLAY. |
| STATEMENT OF BUDGET UTILIZATION | THIS REFERS TO THE SUMMARY OF THE UTILIZATION OF THE APPROVED CORPORATE BUDGET. IT CONTAINS THE APPROVED BUDGET, THE ACTUAL EXPENSES INCURRED AND THE DIFFERENCE WHICH IS EITHER UNUSED BUDGET OR A DEFICIT BUDGET. THE ENTRIES IN THIS REPORT SHALL BE BASED FROM THE RBU. |

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| | ACRONYMS | Effectivity Date: | March 2017 |
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| ACRONYM | DEFINITION |
|----------------|--------------------------------|
| BOD | BOARD OF DIRECTOR |
| COB | CORPORATE OPERATING BUDGET |
| RBU | REGISTRY OF BUDGET UTILIZATION |
| BUS | BUDGET UTILIZATION SLIP |