

# The BUDGET DIVISION

## **Annual Budget Preparation**

An annual budget was prepared on the last quarter of the year and to be approved by the Board of Directors before the year end.

After a memorandum was issued by the General Manager regarding the submission of various division's proposed budget, relative to the preparation of the SWD annual budget, the Budget Division Manager together with the staff collate, compile, review & reconcile the submitted proposed budget and make the necessary adjustment on the amount and account charging. The Budget Division makes a comparison from the previous year's budget to the next year's proposed budget and the actual for the following budgeted accounts:

1. Projected Revenue
2. Personnel Services
3. Operation and Maintenance Expenses
4. Financial Expenses
5. Capital Expenditures
6. Construction in Progress
7. And other accounts that need to be budgeted

The Budget Division Manager together with the General Manager and other Division Managers discuss the proposed budget per Division before final presentation to the Board of Directors for approval.

## **Budget Utilization Request (BUR) Preparation**

Budget Utilization Request was prepared upon the request of various divisions, with the attachment of anyone or a combination of the following:

1. Purchase Order/Purchase Request
2. Billing Statement
3. Payroll/Overtime Pay/Bonuses Schedule
4. Remittances Schedule
5. Cash Advance Form
6. Official Receipt
7. Various Disbursement/Acknowledgement Receipt (PCF, Working Fund, etc.)

After a thorough checking and recording of the information from the attached documents to various budget control monitoring books/files, a Budget Utilization Request was prepared and signed by the Budget Division Manager to certify the budget availability, then forwarded it to the requesting division for signature, then they forwarded it to the Accounting Division for voucher preparation.

## **Manual and computerized updating/monitoring of Budget Control for Personnel Services, Operation and Maintenance Expenses, Financial Expenses, Capital Expenditures and Construction in Progress**

Expenses and Capital Expenditures were recorded daily on the following budget control books and ledger:

1. Maintenance & Other Operating Expense Schedule (for expense account)
2. Capital Expenditures - Admin. Schedule ( for property plant & equipt.)

3. Capital Expenditures - Engineering (for new projects)
4. Construction in Progress Ledger Card - (for on-going projects)
5. Registry of Budget Utilization (RBU) - for the summary of up-to-date utilization and remaining balances of approved budget
6. Power Cost Summary – for monitoring electricity (Meralco details)
7. Various Schedules – Depreciation/UPIS Schedule, Water Utility Schedule. Per Diem of Employees Sched., Maint. per vehicle & gasoline per vehicle schedule & payment to suppliers schedule.

These budget control books and ledger were used for the periodic review of the operating budgets, monitoring & tracking of on-going projects and forecasting, planning and expense analysis that will serve as a basis for the next year budget preparation.

### **Tallying of Budget Control**

Budget control entries were tallied with the following:

1. Purchase Order (PO) prepared by Administrative Services
2. Disbursement Vouchers prepared by Accounting Division
3. Journal Vouchers prepared by Accounting Division
4. Approved Board Resolutions (for budget related resolutions)
5. GLS encoded by Accounting Division

Tallying was done to make sure that the entries entered into the budget control were correctly entered to the books and General Ledger System (GLS) of the Accounting Division for financial statement and budgeting accuracy and so that an immediate correction can be made.