



**KASAGANA-KA Mutual Benefit Association, Inc.**  
**Minutes of the 4<sup>th</sup> Regular Board Meeting of the Board of Trustees**  
**#5 Matimpiin St., Brgy. Pinayahan, Quezon City**  
**June 21, 2019, 09:00 am**

**In Attendance**

Board of Trustees

- |                           |                            |
|---------------------------|----------------------------|
| 1. Enriquetta Navarro     | - President                |
| 2. Brenda F. Lumbao       | - Secretary                |
| 3. Alma Gilbaliga         | - Vice President           |
| 4. Lilibeth Molina        | - Treasurer                |
| 5. Teresita Padel         | - Board Member             |
| 6. Rita Dela Cruz         | - Board Member             |
| 7. Jennifer Abao          | - Board Member             |
| 8. Philip Arnold P. Tuaño | - Independent Board Member |
| 9. Atty. Gettie Sandoval  | - Independent Board Member |

**Also Present:**

Board of Advisers

9. Chona B. Capayas

Board Member Emeritus

10. Leticia Rodriguez

Management and Staff

- |                          |                   |
|--------------------------|-------------------|
| 11. Silvida R. Antiquera | - General Manager |
| 12. Evelyn Lagmay        | - Finance Manager |

**The following were not able to attend:**

- |                            |                         |
|----------------------------|-------------------------|
| 13. Maria Anna dR. Ignacio | - Board Adviser         |
| 14. Wenifreda Rodriguez    | - Board Member Emeritus |



## ORDER OF BUSINESS

- I. Call to Order
- II. Prayer
- III. Determination of Quorum
- IV. Approval of the Proposed Agenda
- V. Reading and Approval of the minutes of the previous meeting
- VI. Financial Report
  - a. Financial Statements for the month of May 2019
  - b. Investments para sa buwan ng Hunyo 19, 2019
- VII. For Discussion/Approval
  - a. Procurement on Data Box
  - b. Signing Authority Limits of GM Silvida Reyes-Antiquerra
  - c. Increase in Petty Cash Fund
  - d. Variation Order No. 7
  - e. Transfer of Office
  - f. Appoint of Board representative in the Construction Committee
  - g. First Life Insurance
  - h. K-Bente at K-Agapay
- VIII. Next Board Meeting
- IX. Adjournment



## DISCUSSION HIGHLIGHTS

I. The meeting started at 09:00 a.m. with a prayer.

### II. Quorum and Agenda

The Secretary announced the presence of a quorum, with the attendance of all the Trustees.

Pres. Enriqueta presented the proposed agenda for the day's meeting. It was approved by the Board, upon motion by BoT Alma duly seconded by BoT Lilibeth.

### III. Approval of the Previous Board Minutes of the Meeting

Since the minutes of the previous board meeting was given in advanced to the Board, Board Emeritus Leticia open the floor for questions and clarifications on the previous Minutes.

BoT member Rita Dela Cruz asked to clarify the concept of net surplus. GM Salve presided the discussion by explaining the role of the Insurance Commission (IC) in regulating and identifying the unassigned surplus using the following computation:

$$\begin{aligned} \text{Fund Balance} - \text{Guaranty Fund} &= \text{Unassigned Surplus} \\ \text{Fund Balance} - \text{Guaranty Fund} - \text{Assigned Surplus} &= \\ &\text{Unassigned Surplus} \end{aligned}$$

To expound the answer, FM Eve explained to the new BOT the basic concept of a Financial Statement which is used as the primary basis of identifying net surplus. This was further explained by GM Salve by discussing the relevance and purpose of the following financial entries:

- a. Asset, Liabilities and Fund Balance.
- b. Benefits in kind and other relevant services (In cash or in kind)
  - i. Insurance covered without additional premium
  - ii. Scholarships
  - iii. Calamity assistance
- c. Enhancement of equity value
- d. Capacity Building Programs (For Board of Trustees and Management)
  - i. Mandatory Trainings e.g. AMLA
  - ii. Training and Formation programs
  - iii. Monitoring evaluation workshop for new products
- e. Grading and improving Systems and Equipment
  - i. Computerized Accounting System Licensing
  - ii. Database upgrading
  - iii. Computers for operations



- f. Continuing Member Education
  - i. Roadshows
  - ii. Micro-insurance awareness campaigns (Video Production, Brochures and materials)

In lieu of this matter, the management presented to the Board the following allocation on the excess and unassigned surplus from the year 2018:

Items/Activities	Amount	Percentage	Timeline
Total Benefits in Kind	Php 6,900,000.00	60%	2020 - 2021
Enhancement of Equity Value	Php 900,000.00	8%	2020
Total Capacity Building	Php 1,500,000.00	13%	2020-2021
Total Research and Development	Php 200,000.00	2%	2020-2021
Total Upgrading and Improving of Systems and Equipment	Php 250,000.00	4%	2020-2021
Total Continuing Member Education	Php 1, 560,425.75	13%	2020

There being no other questions raised on the minutes, BoT Jennifer moved to approve the minutes of the previous meeting, duly seconded by BoT Rita.

## VI. Financial Report and Investments

### A. Financial Statements

FM Eve presented the Statement of Financial Position as of May 30, 2019. The summary of the report is provided below.

Particular	As of May 30, 2019	As of May 30, 2018	Variance	
Total Assets	P 215.9 M	P 198.6 M	P 17.2M	9%
Total Liabilities	P 141.4 M	P 126.2 M	P 15.1 M	12%
Total Fund Balance	P 74.4 M	P 72.4 M	P 2 M	3%

On the other hand, the summary of the income statement as of April 30, 2019 is as follows:

Particular	As of May 30, 2019	For the month of May 2019	For the month of Apr 2019	Variance
Gross Revenue	P 22.7M	P 4.9M	P 4.3M	P 648K
Total Benefit Expense	P 15.1M	P 3.8M	P 3.2M	P 636K
Total Operating Expenses	P 4.5M	P 1.1M	P 989K	P 183K
Total Investment Revenue and Other Income	P 1.6M	P 425K	P 286K	P 139K
Net Surplus (Loss)	P 4.77M	P 353K	P 380K	P 32K





**B. Investments as of June 19, 2019**

The portfolio mix as of June 19, 2019 is as follows:

Type of Investment	Current Placement (in Php)
Cash in bank	P 27,385,365.43
Time Deposit	P 5,685,620.72
Government Securities	P 73,162,000.00
Corporate Bonds	P 13,500,000.00
UITF	P 23,000,000.00
Mutual Fund	P 5,000,000.00
Stocks	P 8,000,000.00
Property	P 51,895,405.36
<b>TOTAL INVESTMENTS</b>	<b>P 207,628,391.51</b>

With no further questions, BoT Teresita moved to accept the financial reports as of May 30, 2019 and the portfolio mix as of June 19, 2019. BoT. Lilibeth seconded the motion.

**VII. For Discussion/ Approval**

GM Salve informed the Board the management's intention seek the Board's approval on certain items that is beyond the PHP 41M budget for the completion of the KMBA Members' Resource Building.

**A. Procurement on Data Box**

GM Salve informed the Trustees the need of Data Box installation in the Building. This expense will cover the cost of purchase of wall-mounted cabinets, data boxes, panels, ports and needed wirings for its complete installation. The purchase cost of these equipment is Php 68,700.00.

BoT Alma moved to approve the purchase of equipment for the installation of five (5) Data Box. BoT Teresita seconded the motion.

***BOARD RESOLUTION NO. 2019-35: APPROVAL OF PURCHASE OF VARIOUS EQUIPMENT NEEDED FOR THE INSTALLATION OF DATA BOX***

***RESOLVED***, to approve the purchase of wall-mounted cabinets, data boxes, panels, ports and needed wirings needed for the installation of five (5) data box with the total purchase price of Php 68,700.00.

**B. Signing Authority Limits of GM Silvida Reyes Antiquerra**

At the present, GM Salve's signing authority limit is at Php 20,000.00. She expressed the obstacles of this limit, that whenever the management has the need to issue checks for claims involving an



amount more than Php 20,000.00, it has the need to seek for a second level signing authority from the trustees which consumes so much time and efforts.

Thus, the management proposed to increase the signing authority limit of GM Salve from Php 20,000.00 to Php 50,000.00. Further, in order to safeguard this increase in the signing authority, GM Salve proposed to consequently increase the insurance coverage for the General Manager to Php 200,000.00.

BoT Lilibeth moved to approve the increase of the signing authority limit and fidelity bond of the General Manager. BoT Jennifer seconded the motion.

***BOARD RESOLUTION NO. 2019-36: APPROVAL TO INCREASE THE SIGNING AUTHORITY LIMIT AND FIDELITY BOND OF THE GENERAL MANAGER.***

***RESOLVED***, to approve the increase of the signing authority limit of the General Manager from Php 20,000.00 to Php 50,000.00.

***RESOLVED FURTHER***, to approve the increase of the Fidelity Bond General Manager from Php 100,000.00 to Php 200,000.00.

C. Increase of Petty Cash Fund

Currently, the organization's petty cash fund is at Php 5,000.00. GM Salve informed the Trustees that due to the volume of transactions of the organization, these fund seems to be not enough and are easily consumed through various expense reimbursements.

Hence, the management proposes to increase the Petty Cash Fund from Php 5,000.00 to Php 10,000.00.

With no further questions, BoT Rita moved to increase of Petty Cash Fund from Php 5,000.00 to Php 10,000.00. BoT Alma seconded the motion.

***BOARD RESOLUTION NO. 2019-37: APPROVING THE INCREASE OF PETTY CASH FUND.***

***RESOLVED***, to approve the increase of the petty cash fund from Php 5,000.00 to Php 10,000.00.

D. Variation Order No. 7

GM Salve presented to the Board the following variation orders to be constructed at the KMBA Building:



Particulars	Amount
Additional wall at the 2 <sup>nd</sup> Floor (Division of KMBA and KDCI offices)	Php 39,855
Construction of backdrop at the 3 <sup>rd</sup> Floor	Php 19,080
Additional wall with door leading to the service area at the 4 <sup>th</sup> floor	Php 68,028
Additional paintings, base board and tiles	
Contingency, Profit margin, etc.	20%
<b>TOTAL COST</b>	<b>Php 218,558.59</b>

With no further questions, BoT Teresita moved to approve Variation Order No. 7. BoT Jennifer seconded the motion.

**BOARD RESOLUTION NO. 2019-38: APPROVING VARIATION ORDER NO. 7**

**RESOLVED**, to approve Variation Order No. 7 in the amount of Php 218,558.59.

**E. Transfer of Office**

GM Salve informed the Trustees the intention of the management to transfer office on the 25<sup>th</sup> of June, 2019. Accordingly the official turnover of the Building's 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> Floor is on June 30, 2019, and the Ground Floor and 5<sup>th</sup> Floor on July 30, 2019, respectively.

In view of the foregoing situation, amidst the matters involving the facilities of the building that are yet to be completed, GM Salve informed the Trustees that the next Board Meeting will be hold at the new building.

The Trustees noted the update.

**F. Appointment of New Board Representatives in the Construction Committee**

GM Salve informed the Trustees that there is a need to appoint new board representatives in the Construction Committee, with the mandate to meet atleast every Wednesday of the week to resolve matters concerning the construction of the building.

In a mutual decision, the Trustees appointed BoT Lilibeth Molina and BoT Jennifer Abao as the new representatives of the Board in the Construction Committee, upon motion of BoT Teresita, duly seconded by BoT Risa.

**G. New Insurance Provider**

GM Salve proposed to the Board the First Life Insurance as the new Insurance Service Provider of KMBA starting July 1, 2019. This is with consideration to the value added benefits it has offered compared to the previous service provider, Sun Life.

The Board agreed to the proposal upon motion of BoT Teresita, duly seconded by BoT Alma.





**BOARD RESOLUTION NO. 2019-39: APPROVING FIRST LIFE INSURANCE AS KMBA INSURANCE PROVIDER.**

**RESOLVED**, to approve to engage the services of First Life Insurance as the new Insurance Provider of Kasagana Ka Mutual Benefit Association effective July 1, 2019.

H. K-Bente and K-Agapay

The Board moved to approve the following policy arrangement for K-Bente upon motion of BoT Jennifer and seconded by BoT Lilibeth:

Policy	No. of Allowed Policies	Coverage
K-Bente	2	Member and Dependent

Also, the Board moved to approve the policy arrangement of K-Agapay upon motion of BoT Teresita, seconded by BoT Alma:

Policy	No. of Allowed Policies	Coverage
K-Agapay	1	Father only

**VIII. Upcoming Schedule**

The next Board Meeting is on August 8, 2019.

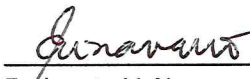
**IX. Adjournment**

There being no other matters to discuss, the meeting ended at 12:00nn, to which BoT Alma moved to approve and seconded by BoT Rita.

Prepared by:

  
Brenda F. Lumbao  
Board Secretary

Attested by:

  
Enriqueta V. Navarro  
President

  
Alma D. Gilbaliga  
Vice-President



