



**KASAGANA-KA Mutual Benefit Association, Inc.**

**2<sup>nd</sup> Regular Meeting of the Board of Trustees**

**5 Matimpiin St. Pinyahan, Quezon City**

**March 13, 2020 8:30 am**

**In Attendance:**

Board of Trustees:

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

**Also Present:**

Board of Advisers:

10. Chona B. Capayas
11. Isabel M. Iliw-iliw
12. Maria Anna dR. Ignacio

Board Member Emeritus

13. Leticia Rodriguez

Management and Staff


- |                          |                  |
|--------------------------|------------------|
| 14. Silvida R. Antiquera | -General Manager |
| 15. Evelyn Lagmay        | -Finance Manager |

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

- |                         |                        |
|-------------------------|------------------------|
| 16. Wenifreda Rodriguez | -Board Member Emeritus |
|-------------------------|------------------------|

  
Brenda F. Lumbao  
Board Secretary

Attested by:

  
Enriquetta V. Navarro  
President



## ORDER OF BUSINESS

- I. Call to Order
- II. Prayer
- III. Determination of Quorum
- IV. Approval of Proposed Agenda
- V. Reading and Approval of the minutes of the previous meeting
- VI. Business Arising
- VII. Operation and Financial Report
  - a. Financial Statement for the month of January 2020
  - b. Investment as of March 12,2020
- VIII. For Discussion/Approval
  - a. RODSY Additional Works
  - b. MS Office Software
  - c. Signages
  - d. Accounting and Investment Manual
  - e. Additional Representative of KMBA for KSO HR Committee
  - f. Official Representative to MiMAP General Assembly
  - g. Confirmation on the release of Performance Incentive for KMBA staff
  - h. Appointment of Chief Risk Officer
- IX. Updates
  - a. Building Permit (Occupancy)
  - b. BPI Bayanihan Fund as of December 2019
  - c. Mutual Security Fund as of December 2019
- X. Performance Evaluation
  - a. Performance Evaluation of GM Salve – June to December 2019
  - b. Performance Evaluation of Board of Trustees – June to December 2019
- XI. Upcoming Schedule
  - a. Board & Coordinators Recollection – March 19-20,2020
  - b. Joint MBA-MFI Learning Session – March 26,2020
- XII. Schedule of next regular/special board meeting
- XIII. Adjournment



## DISCUSSION HIGHLIGHTS

I. The meeting started at 8:30 a.m. with a prayer.

### II. Quorum and Agenda

Board Secretary Brenda announced the presence of a quorum. Pres. Enriqueta presented the proposed agenda for the day's meeting.

Board Adviser MeAn recommended the Board to include the approved Retirement Benefit Plan to be subjected for another review. Sir Randy also recommended to include Contingency Plan for the scheduled Community Quarantine due to CoViD-19.

Agenda, including the proposed additional items, was approved by the Board upon motion by BoT Rita, duly seconded by BoT Teresita.

### III. Reading and Approval of the Minutes of the Meeting

The minutes of the previous meeting were provided ahead of the meeting. Pres. Enriqueta asked the Board for clarification or comments that needed discussions.

With no further questions, BoT Teresita moved to approve the minutes of the previous meeting seconded by BoT Rita.

### IV. Business Arising

GM Salve gave an update on the occupancy status of KMBA Members' Center Building. She said that KMBA have already secured an Order of Payment of the Occupancy Permit waiting for release upon compliance with the prerequisites. She said that the release was held because of the Tax Declaration of KMBA obtaining the old address. An amendment of the same was in process.

### V. Operational and Financial Report

#### A. Financial Statements

FM Eve presented the Statement of Financial Position as of January 31, 2020. The summary of the report is provided below.

Particular	As of January 31, 2020	As of January 31, 2019	Variance	
			Amount	%
Total Assets	Php 223,695,878.35	Php 210,644,538.20	Php 13,051,340.15	6%
Total Liabilities	147,150,603.07	138,368,115.04	12,915,039.76	9%
Total Fund Balance	76,545,274.95	72,276,423.21	136,300.01	0.19%

On the other hand, the summary of the Income Statement for the month ended January 31, 2020 is as follows:



Particular	As of January 31, 2020	As of January 31, 2019	Variance Amount
Gross Revenue	Php 4,079,155.41	Php 4,026,945.24	Php 52,210.17
Total Benefit Expense	3,530,265.48	3,187,068.88	(343,196.60)
Total Operating Expense	1,147,944.18	895,091.94	(252,852.24)
Total Investment Revenue and Other Income	284,941.98	269,769.75	15,172.23
Net Surplus (Loss)	Php (314,112.27)	Php 214,554.17	Php (528,666.44)

Board Adviser MeAn asked FM Eve if KCOOP has pending remittances to KMBA as she observed a low revenue from the report. FM Eve said that payments from KCOOP were on time and added that the revenue was on trend as January is the month where low enrollment and high resignation of members occur. Board Adviser MeAn also asked FM Eve about the presentation and accounting treatment of "Allocation for Liability on Individual Equity Value" under Benefits Expense.

FM Eve presented the following procedure:

<b>1. Collection (for the whole amount received)</b>		
Cash in Bank	xxx	
Members' Contribution		xxx
<b>2. Reserving (for half of the amount received as advised by their actuary)</b>		
Allocation for Liability on Equity Value	xxx	
Liability on Equity Value		xxx
<b>3. Actual Release (for the actual amount released to resigned members)</b>		
Benefits Claims Expense – Equity Value	xxx	
Cash in Bank		xxx
<b>4. Reversal (actual amount released to resigned members) – to decrease the amount reserved as actual release occurred</b>		
Liability on Equity Value	xxx	
Allocation for Liability on Equity Value		xxx

**B. Investments as of March 12, 2020**

The portfolio mix as of March 12, 2020 is as follows:

Type of Investment	Current Placement
Cash in Bank	Php 9,934,070.94
Time Deposit	5,701,074.04
UITF	28,000,000.00
Government Securities	78,162,000.00
Corporate Bonds	6,000,000.00
Mutual Fund	5,000,000.00
Stocks	13,000,000.00
LTNCD	5,000,000.00
Investment Property	61,721,818.79
<b>TOTAL INVESTMENTS</b>	<b>Php 212,518,963.77</b>

With no further questions, BoT Lilibeth moved to accept the investment mix as of March 12, 2020, duly seconded by BoT Alma.



**VI. For Discussion/Approval**

**A. RODSY Additional Works**

GM Salve submitted a set of supplementary work packages recommended and evaluated by Arch. Yusingco which would require additional budget for the building.

The following are the suggested works:

Work Set	Particular	Contract Amount
A	Cyclone wire fence at side fences	Php 95,680.00
B	CHB curb/zocalo at front garden	7,450.00
C	Stairs railing over stairwell in the attic	15,600.00
D	Relocation of fire control alarm panel (FACP) from server room to guard station in the ground floor	67,520.00
E	Electric Sub-Meter for KDCI office at second floor	54,620.00
F	Electric Sub-Meter for small office at fifth floor	28,890.00
G	Three-way lighting at attic stairs	8,890.00
H	General requirements (daily mobilization and demobilization of manpower materials, tools, and equipment, etc.)	70,000.00
20% Contingency, Profit Margin		69,930.00
12%VAT (excluding materials)		27,171.60
<b>TOTAL</b>		<b>Php 446,751.60</b>

GM Salve expressed that in order for the projects to progress, an approval of fifty per centum of the total contract price is needed in the amount of TWO HUNDRED TWENTY-THREE THOUSAND THREE HUNDRED SEVENTY-FIVE & 80/100 (Php 223,375.80) PESOS.

BoT Jenifer moved to approve the recommended down payment for the supplementary work packages and was seconded by BoT Alma.

**BOARD RESOLUTION NO. 2020-16:**

**APPROVAL OF THE SUPPLEMENTARY WORK PACKAGES FOR KMBA MEMBERS' CENTER BUILDING**

***RESOLVED**, to approve the fifty (50%) per centum down payment of the supplementary work evaluated in the amount of Two Hundred Twenty-Three Thousand Three Hundred Seventy-Five & 80/100 (Php 223,375.80) Pesos.*

**B. MS Office Software**

MIS Supervisor Benedict was invited to present quotations for the purchase of operating system (Windows 10) licenses and Microsoft Office for the computer units used by KMBA employees. KMBA planned to purchase three units of Windows 10 and 17 units of Microsoft Office.

Supplier	Windows 10 (per unit)	Microsoft Office (per unit)
FSKR Enterprises	Php 4,000.00	Php 7,000.00
KEYSYS Inc.	Php 13,000.00	Php 25,000
MVJB Computer Services	Php 13,990.00	Php 25,800.00
Silicon Valley	Php 13,990.00	Php 24,000.00



Sir Randy asked Supervisor Benedict if the use of free Open Source Document Management Platform is not as reliable and as convenient compared to that of the purchase of Microsoft Office Licenses. Supervisor Benedict said that it is more convenient when it comes to data transfer and it does the job of what people ask of it which ensures that it offers level of support that will make every task easier to accomplish with Microsoft Office. FM Eve agreed and shared her experience in using Spreadsheets from Open Office. She said that using formulas and presentation in Microsoft Excel is more favorable than that of in an Open Office.

The Board was pleased with the presentation and selected FSKR Enterprises as the supplier. With the recommended number of units to be purchased, BoT Jenifer moved to approve the purchase of three units of Windows 10 and 17 units of Microsoft Office with a total amount of ONE HUNDRED THIRTY-ONE THOUSAND (Php 131,000.00) PESOS. BoT Teresita seconded the motion.

**BOARD RESOLUTION NO. 2020-17:  
APPROVAL OF THE PROCUREMENT OF MS OFFICE SOFTWARE**

***RESOLVED**, to approve the purchase of three units of Windows 10 and 17 units of Microsoft Office for One Hundred Thirty-One Thousand (Php 131,000.00) Pesos from FSKR Enterprises.*

**C. Signages**

GM Salve presented quotations from various service providers for the signage of KMBA Members' Center Building.

Signage Maker	OPTION A (Built-up Lighted)	OPTION B (Non-Lighted)
REGIENER Services	Php 120,000.00	Php 98,000.00
MAC Signs	-	145,000.00
St. Padre Pio Enterprises	179,000.00	146,000.00

The Board moved to approve REGIENER Services to provide Option A Built-up Lighted 8-inched 52 letters and characters and a 3x3 ft. stainless logo with free installation amounting to ONE HUNDRED TWENTY THOUSAND (Php120,000.00) PESOS. BoT Rita initiated the motion seconded by BoT Jenifer.

**BOARD RESOLUTION NO. 2020-18:  
APPROVAL OF THE PROCUREMENT OF SERVICES FOR KMBA MEMBERS' CENTER BUILDING SIGNAGE**

***RESOLVED**, to approve REGIENER Services to provide built-up lighted signage and installation of the same amounting to One Hundred Twenty Thousand (Php 120,000.00) Pesos.*

**D. Additional Representative of KMBA for KSO HR Committee**

In a regular meeting held last September 27, 2019, this Board appointed Vice President Alma Gilbaliga to represent KMBA in the KSO HR Committee. The management recommended that an additional representative must be appointed. GM Salve recommended Board President Enriqueta Navarro to occupy said position.

BoT Lilibeth moved to approve the appointment of President Enriqueta Navarro as new member to the KSO HR Committee. BoT Jenifer seconded the motion.



**BOARD RESOLUTION NO. 2020-19:  
APPOINTMENT OF ENRIQUETA NAVARO AS MEMBER TO THE KSO HR COMMITTEE**

*RESOLVED, to approve the appointment of Enriqueta Navarro being the new member of the KSO HR Committee.*

**E. Confirmation on the release of Performance Incentive for KMBA Staff**

Following the existing policy on the semestral grant of performance incentive, which was institutionalized, KMBA employees underwent the process of performance evaluation for the period of July to December 2019. Basis of evaluation, among others, are the ASEAN Corporate Governance Scorecard, Service Delivery and the SEGURADO Indicators.

After the evaluation, the rating of each employee has been determined and the ratings translate into the amount of incentive each employee is entitled to as set by the policy enforced.

GM Salve stated that the total amount to be released based on the transmutation of ratings to monetary value summed to TWO HUNDRED FIFTY-TWO THOUSAND SEVEN HUNDRED TWENTY-FOUR & 40/100 (Php252,724.40) PESOS that requires an approval from the Board.

BoT Lilibeth moved to approve the release of the performance incentive of employees for the period of July to December 2019. BoT Jenifer seconded the motion.

**BOARD RESOLUTION NO. 2020-20:  
CONFIRMATION OF THE RELEASE OF THE PERFORMANCE INCENTIVE OF EMPLOYEES FOR THE PERIOD JULY TO  
DECEMBER 2019**

*RESOLVED, to confirm the release of the performance incentive bonus of deserving employees for the period July to December, 2019, amounting to two hundred fifty-two thousand seven hundred and twenty-four & 40/100 (Php 252,724.40).*

**F. Retirement Benefit Plan**

Board Adviser MeAn revisited a Board Resolution approved in a meeting held last November 8, 2019. BR No. 57-2019 or the "APPROVAL OF THE IMPROVED RETIREMENT BENEFIT PLAN AND ADDITIONAL BUDGET FOR THE PURPOSE" included resigned employees to receive retirement benefits based on the length of service rendered in the organization. Board Adviser MeAn said that the same resolution was not passed by the Board of KDCI and KCOOP. She added that a management prerogative in a form of longevity cash gift is practiced by both in case of resigned employees having good years of service in the institution.

The Board and the management both agreed to Board Adviser's point and BoT Lilibeth moved to rectify the approved board resolution and remove separated employees as recipient of the improved retirement benefit plan. BoT Jenifer seconded the motion.



**BOARD RESOLUTION NO. 2020-21:  
AMENDMENT OF THE IMPROVED RETIREMENT BENEFIT PLAN**

***RESOLVED**, to rectify Board Resolution No. 57-2019 and remove separated employees as recipients of the improved retirement benefit plan.*

**G. Appointment of Chief Risk Officer**

Risk Committee Chairperson Jenifer Abao, also board member presented to the board the recommendation to appoint Ms. Silvida Reyes Antiquera, as the Chief Risk Officer of KMBA. According to BoT Jenifer, the Chief Risk Officer will be the primary responsible for the monitoring, integration and centralized management of KMBA's financial and non-financial risks by ensuring that it is properly identified and monitored. She will also be responsible for the overall risk management program of the association and to periodically report strategies of risk monitoring and implementation based on KMBA's risk level and limit structure of the Board. All activities involving risk should be evaluated by the Risk officer. Bot Alma moved for the appointment of GM Salve as the Chief Risk Officer, BoT Teresita Padel seconded the motion.

**BOARD RESOLUTION NO. 2020-22:  
APPOINTMENT OF GM SILVIDA REYES ANTIQUERA as the CHIEF RISK OFFICER**

***RESOLVED**, to approve the appointment of Ms. Silvida Reyes Antiquera as Chief Risk Officer of KMBA.*

**VIII. Updates**

- A. Mutual Security Fund.** As of December 2019, a sum of Php32,597.58 was earned by KMBA from its Php328,757.00 investment in the network.
- B. BPI Bayanihan Fund.** As of December 2019, an unrealized gain of Php970,684.81 was earned by KMBA from its 15M placement.

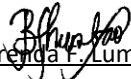
**IX. Upcoming Schedules**

- A. Board and Coordinators' Recollection** – CANCELLED due to CoViD-19 precautionary initiatives
- B. Joint MBA-MFI Learning Session** – CANCELLED as part of CoViD-19 precautionary initiatives
- C. MiMAP General Assembly** – The Board designated GM Salve to officially represent KMBA.
- C. Next Board Meeting** – TBA

**X. Adjournment**

There being no other matters discussed, the meeting ended at 11:42 a.m.

Prepared by:

  
Brenda F. Lumbao  
Board Secretary