



**Board Resolution No. 38
Series of 2020**

REALIGNMENT OF FREE AND UNASSIGNED SURPLUS

Upon motion, duly seconded, the Board of Trustees, in a Regular Board Meeting held on December 10, 2020, where a quorum is present, adopted the following resolution:

WHEREAS, KMBA has completed the assessment of its operations and financial position as of October 2020;

WHEREAS, based on the prior allocation approved for the years 2020-2021 of Fourteen Million Five Hundred Forty-Four Thousand One Hundred Ninety-Seven & 47/100 (Php 14,544,197.47) Pesos, a total of Three Million Eleven Thousand Nine Hundred Thirty-Two & 50/100 (Php 3,011,932.50) were actually expended and used at current year as follows;

ITEM	TOTAL ALLOCATION FOR 2020-2021	2020 ACTUAL USAGE	BALANCE
Benefits in kind and other relevant services	Php 7,967,679.43	Php 2,088,000.00	Php 5,879,679.43
➤ Insurance cover without any additional premium on the part of the members	➤ 5,244,660.00	➤ 1,200,000.00	➤ 4,044,660.00
➤ Scholarship assistance to deserving children of members	➤ 1,344,339.00	➤ 284,000.00	➤ 1,060,339.00
➤ Calamity assistance for totally damaged properties of members due to the occurrence of typhoons, floods, fire, etc.	➤ 1,378,680.43	➤ 604,000.00	➤ 774,680.43
Enhancement of Equity Value	2,256,930.00	0.00	2,256,930.00
Capacity Building	1,502,188.91	133,440.00	1,368,748.91
Research and Development	389,621.75	181,476.00	208,145.75
Upgrading and Improving Systems and Equipment	670,024.00	18,266.00	651,758.00
Continuing Member Education	1,757,753.38	590,750.50	1,167,002.88
TOTAL	Php 14,544,197.47	Php 3,011,932.50	Php 11,532,264.97

WHEREAS, based on these reports, a management proposal, as follows, was prepared to realign the allocation mix of the balance of free and excess unassigned surplus to best reflect and ensure that organizational needs for the year will be met;

ITEM	BALANCE	REALIGNMENT	
		%	Amount
Benefits in kind and other relevant services	Php 5,879,679.43	66%	Php 7,646,513.18
➤ Insurance cover without any additional premium on the part of the members	➤ 4,044,660.00	35%	➤ 4,044,660.00
➤ Scholarship assistance to deserving children of members	➤ 1,060,339.00	15%	➤ 1,730,339.00
➤ Calamity assistance for totally damaged properties of members due to the occurrence of typhoons, floods, fire, etc.	➤ 774,680.43	16%	➤ 1,871,514.18
Enhancement of Equity Value	2,256,930.00	0%	0.00
Capacity Building	1,368,748.91	12%	1,368,748.91



Research and Development	208,145.75	3%	350,000.00
Upgrading and Improving Systems and Equipment	651,758.00	9%	1,000,000.00
Continuing Member Education	1,167,002.88	10%	1,167,002.88
TOTAL	Php 11,532,264.97	100%	Php 11,532,264.97


WHEREAS, a significant increase in the allocation per item is observed to be majorly for the benefits of members like assistance in expected risk particular to calamities; and members' children particular to their scholarship in secondary and tertiary education plans;

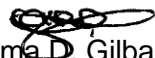
WHEREAS, another realignment of significance considered is for KMBA to address its need to further develop its processes to ultimately deliver its products and services efficiently and effectively, thus increasing the allocation in its "upgrading and improving systems and equipment" and "research and development";

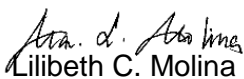
WHEREAS, to make effect the increase in the abovementioned items, a remote to no activity for the enhancement of equity value was projected, thus zeroing the percentage of allocation for the said item;

NOW THEREFORE, the foregoing premises considered, the Board of Trustees **RESOLVED** to approve the realignment of free and unassigned surplus amounting to Eleven Million Five Hundred Thirty-Two Thousand Two Hundred Sixty-Four & 97/100 (Php 11,532,264.97) Pesos.

Adopted this 10th of December 2020 in Quezon City, Philippines by the affirmative vote of the undersigned members representing a majority of the trustees of KMBA, Inc.



Enriqueta V. Navarro
President


Alma D. Gilbaliga
Vice-President


Lilibeth C. Molina
Treasurer


Jenifer L. Abao
Member


Rita T. dela Cruz
Member


Teresita D. Padel
Member

Atty. Maria Cleofe Gettie C. Sandoval
Independent Member

Philip Arnold P. Tuaño
Independent Member


Attested by: Jonalyn T. Andres
Board Secretary