



PUBLIC SAFETY MUTUAL BENEFIT FUND, INC.

Resolution No. 2014 – 120

APPROVAL OF THE GUIDELINES AND PROCEDURES ON THE UTILIZATION OF CORPORATE SOCIAL RESPONSIBILITY (CSR) FUND

Whereas, the Corporate Social Responsibility (CSR) Program of PSMBFI begun in CY 2007;

Whereas, the CSR is guided by the provisions of the company's Articles of Incorporation, By-Laws and Board Resolution Nos. 2008-30, 2012 -107, and 2012-116 ;

Whereas, the CSR Fund is managed by the Insurance Department for assistance to members not covered by the insurance contract; the Administration Department for procurement of equipment and services, sponsorships and calamity assistance to members; and the Marketing Department for marketing and promotional activities;

Whereas, to establish a uniform guidelines and procedures for the allocation, utilization, and disbursement of the CSR Fund in accordance with the Articles of Incorporation, the By-Laws, and Board Resolutions, Management, through the Executive Committee presented to the Board the proposed Guidelines and Procedures on the Utilization of the CSR Fund;

Whereas, the proposed Guidelines and Procedures on the Utilization of the CSR Fund expressly provides for the source of fund, utilization, and allocation of the CSR fund. It further provides for the creation and composition of a CSR Committee of the Management that shall receive all endorsed requests pertaining to the utilization of the CSR Fund, evaluate such requests, and recommend appropriate action on the same;

Whereas, upon due consideration of the proposed guidelines, the Board has approved the same during the Regular Board meeting held last September 29, 2014;

Now, therefore, be it resolved, as it is hereby resolved, that the Board approves the Guidelines and Procedures on the Utilization of the CSR Fund hereto attached;

PSMBFI Building

No. 318-320 Santolan Road, cor. 1st and 2nd West Streets

San Juan, Metro Manila

Tel. No. 726-1675; 726-8070 Telefax No. 726-7250

Email: customercare@psmbfi.com.ph

www.psbmfi.com.ph



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Be it resolved finally, that copies of this resolution be furnished the Chairman and the Vice Chairman of the Board of Trustees, the President, the Vice President, and the PSMBFI Management for reference and information.

Done in San Juan City this 29th day of September 2014.


DIR ALAN LM PURISIMA
Chairman


DIR ANTONIO P. BILLONES
Vice Chairman


DIR MARIO A. AVENIDO
President


DIR BERNARDO C. FLORECE JR.
Vice President


DIR FELIXBERTO S. LAGIWID
Treasurer


DIR MARTIN F. BOLIVAL JR.
Assistant Treasurer


DIR CATALINO S. CUY
Trustee

DIR ROLANDO A. PURUGGANAN
Trustee


DIR JAIME H. MORENTE
Trustee


DIR ERIC Q. JAVIER
Trustee


DIR SERGIO A. DIMANDAL
Trustee


DIR RAUL BASILIO D. BOAC
Trustee





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DIR CELESTINO D VALERA
Trustee

DIR DANDIE M BONITA
Trustee

DIR LUISITO L LANNU
Trustee

Attested by:

ATTY ASHER A DOLINA, CEO VI
Corporate Secretary



PUBLIC SAFETY MUTUAL BENEFIT FUND, INC.

3/F PSMBFI Building, Nos. 318-320 Santolan Road corner
1st and 2nd West Crame Sts., San Juan City
Tel. Nos. 724-7088, 726-8070

26 September 2014

PDG ALAN LM PURISIMA

Chairman

Board of Trustees

Public Safety Mutual Benefit Fund, Inc.

No. 318-320 PSMBFI Bldg.

Corner 1st & 2nd West Crame corner Santolan Road

San Juan City

THRU: **Chairman**, Executive Committee
The Corporate Secretary

Dear Chairman Purisima,

Management respectfully submits for discussion, consideration, and approval of the Board of Trustees, the hereto attached "**GUIDELINES AND PROCEDURES ON THE UTILIZATION OF CORPORATE SOCIAL RESPONSIBILITY (CSR) FUND**". The suggestions/comments during the last Executive Committee Meeting have been duly incorporated.

Thank you very much.

Very truly yours,


DIR MARIO A AVENIDO
President

As amended:
For Presentation to BOT
29 September 2014

GUIDELINES AND PROCEDURES ON THE UTILIZATION OF CORPORATE SOCIAL RESPONSIBILITY (CSR) FUND

I. PURPOSE

This policy is drafted for the purpose of establishing uniform guidelines and procedures for the allocation, utilization, and disbursement of the CSR Fund in accordance with the Articles of Incorporation, the By-Laws, and Board Resolution Nos. 2008-30, 2012-107, and 2012-116.

II. BASES

These policies, guidelines, and procedures are based on the provisions of:

A. Articles of Incorporation (AI) and By-Laws (BL), as amended

The AI, as amended, provides that, "the Fund is formed primarily xxxx to provide material aid and comforts to members and their families in case of losses, disability, necessities, unemployment, old age as may be authorized by statutes or regulations prescribed by competent authority xxxxx" (par 'second' AI as amended).

The BL, as amended, provides that the primary purpose of PSMBFI, among others, is to provide financial and material aid to members and their families in case of losses, disabilities, manmade and natural casualties, injuries, similar occurrences. Xxxxxx PSMBFI may allocate for Corporate Social Responsibility Fund to support projects and activities that will redound to the benefit of members, their beneficiaries and their organizations (As amended 25 March 2013).

It should be noted that it was only in the year 2010 that the BL expressly provided for Corporate Social Responsibility Fund for projects and activities that redound to the benefit of members.

B. Board Resolution No. 2008-30

The CSR Program of expenditures shall provide fund support to:

1. Chairman's Special CSR projects to support PNP units in the upliftment programs for personnel well-being;
2. CSR programs of PSMBFI for active and inactive members of the PNP, and their families and of the company's employees;
3. CSR program in collaboration with the other corporations that will redound to the benefit of PSMBFI's general membership;
4. Requests of PSMBFI members who are victims of calamities and other unfortunate incidents;
5. Other philanthropic and societal activities of PSMBFI.

The levels of authority in the disbursement of CSR Fund are as follows:

P 200,000.00 and below	–	PSMBFI President
Above P 200,000.00 to P 500,000.00	–	Chairman, Ex-Com
Above P 500,000.00	–	Chairman, BOT

Management is tasked to formulate the Operating Policies and Procedures in the proper management of CSR Funds for the approval of the Board.

C. Board Resolution No. 2012-107

Utilization of the Retained Surplus of the company as:

1. Reserve Funds
2. Projects with Long Term Benefit
3. Other expenses such as, but not limited to, **Corporate Social Responsibility** and Experience Refund.

D. Board Resolution No. 2012-116

The BOT approved the "**Guidelines for the Allocation of Net Income**", which among others, provided that the CSR Fund shall be used to support projects and activities that will redound to the benefit of members. The allocation to this fund shall not be more than **3% of the net income from the previous year.**

III. DEFINITION

Corporate Social Responsibility is defined as PSMBFI's responsibility of ensuring that its plans and programs are geared towards the improvement of the quality of life of its members and their families, its employees, as well as the local community and society-at-large. *Pursuant to Board Resolution No. 2012-116, however, PSMBFI'S CORPORATE SOCIAL RESPONSIBILITY PROGRAM shall be used to support projects and activities that redound to the benefit of members.*

In line with the provisions of the AI, BL, and related BRs, PSMBFI's Corporate Social Responsibility Program (CSR Program) aims to promote morale and well-being of members, in the following areas of concern and in accordance with the following priority:

- (A). Benefit and protection to members for cases not covered by policy contracts;
- (B). Benefit and protection to members who are victims of calamity and/or unfortunate incident such as fire, earthquake, storm, typhoon, or any other natural calamity;
- (C). Support to partner agencies that result in administrative efficiency and benefit to members in terms of education, information dissemination, and morale and welfare such as service, equipment, repairs and construction of facilities;

IV. SOURCE OF CSR FUND

On an annual basis, the Board of Trustees shall allocate the Corporate Social Responsibility Fund sourced from the ***net income of the previous year and in the amount of "not more than 3% of the net income from the previous year"***.

V. UTILIZATION OF CSR FUND:

Pursuant to Board Resolution No. 2012-116, the CSR Fund shall be used to support projects and activities that redound to the benefit of members. The Fund shall be utilized in accordance with the following priority of concerns:

- A. Assistance to members for cases not covered by policy contracts such as but not limited to, medical expenses, expenses arising from accident/sickness, hospitalization;
- B. Assistance to members who are victims of calamity or unfortunate incidents such as fire, earthquake, storm, typhoon, or any other natural calamity;
- C. Support for the procurement of service and equipment for partner agencies whose personnel are members of PSMBFI and which procurement results to administrative efficiency and benefit to members in terms of education, information dissemination, and morale and welfare;
- D. Support for the construction and/or major repairs for partner agencies whose personnel are members of PSMBFI and which procurement results to administrative efficiency and benefit to members in terms of education, information dissemination, and morale and welfare;
- E. Special requests of Public Safety Agencies/Partner Agencies not specifically covered above;

VI. ALLOCATION OF CSR FUND

The CSR Fund shall be allocated as follows:

1. **30% of the total CSR Fund:** Assistance to members which are not covered by policy contract, such as but not limited to, medical expenses, expenses arising from accident/sickness, hospitalization:
2. **30% of the total CSR Fund:** Assistance to members who are victims of calamity or unfortunate incidents such as fire, earthquake, storm, typhoon, or any other natural calamity;
3. **15% of the total CSR Fund:** Support for the procurement of service and equipment for partner agencies whose personnel are members of PSMBFI and which procurement results to administrative efficiency and benefit to members in terms of education, information dissemination, and morale and welfare.

In order to maximize the benefits received by members, the fund shall be further allocated on a per region basis in accordance with the percentage of revenues contributed by the said region in the year from which the CSR Fund is sourced.

4. **15% of the total CSR Fund:** Support for construction and major repairs for partner agencies whose personnel are members of PSMBFI and which procurement results to administrative efficiency and benefit to members in terms of education, information dissemination, and morale and welfare.

In order to maximize the benefits received by members, the fund shall be further allocated on a per region basis in accordance with the percentage of revenues contributed by the said region in the year from which the CSR Fund is sourced;

5. **10% of the total CSR Fund:** Special Requests of Public Safety Agencies/Partner Agencies not specifically covered above

Management, subject to the condition of benefit to members, may at its discretion provide for utilization of the CSR Fund for special requests of public safety agencies/partner agencies not specifically covered above;

Based on the recommendations of Management and upon approval of the Board of Trustees, the unutilized portion of the allocation relating to numbers 3, 4, and 5 above, maybe applied or re-aligned within said areas of concern as maybe necessary under the circumstances and subject to the guidelines provided in paragraph VII below.

VII. UTILIZATION OF CSR FUNDS

A. Assistance to Members:

1. Illness, Injury, or Sickness not covered by policy contracts:
 - P 2,000.00 per member per incident per year;
 - Supporting documents:
 - a. Letter request for assistance from the member or immediate member of his family;
 - b. In cases of benefit claims filed by members/heirs and it is determined that the claim is not covered by policy contract, opinion of the medical consultant that the injury or sickness is not covered by policy contract;
 - c. For medical expenses, hospitalization records, medical records, and prescription for medicines;
2. Victims of Calamity and/or Unfortunate Incident such as Fire, Earthquake, Storm, Typhoon, or any other natural calamity:
 - Not more than P 5,000.00 per member per year;
 - Supporting documents:
 - a. Letter-request from the member narrating the calamity and/or unfortunate incident and its effects/damage to the member OR letter-request from public safety office with list of members affected by the calamity or unfortunate incident;

- b. Declaration by the local or national government of the state of calamity, if applicable;

B. Service/Equipment: Support for the procurement of service and equipment for partner agencies/public safety agencies whose personnel are members of PSMBFI and which procurement will benefit PSMBFI members:

- Service/equipment results in administrative efficiency of partner agencies;
- It should benefit members in terms of education, information dissemination, morale and welfare of members;
- Service/equipment should benefit members for at least two (2) years;
- Service/equipment should benefit at least 75% of the members in the covered area (region/province/city/municipality, as the case maybe);
- Request for procurement is endorsed by the concerned public safety office;
- Measurement of benefit to member:

Project Cost *DIVIDED BY* Number of Members directly to be benefited (per region/province/city/municipality, as the case maybe) = Amount of benefit per member

C. Support for Construction/Major Repairs: Support for the construction and/or major repairs for partner agencies/public safety offices whose personnel are members of PSMBFI and which procurement will benefit PSMBFI members:

- Construction and major repairs result in administrative efficiency of partner agencies;
- It should benefit members in terms of education, information dissemination, morale and welfare of members;
- Construction and major repairs should benefit members for at least five (5) years;
- Facilities constructed or repaired should benefit at least 75% of the members in the covered area (region/province/city/municipality, as the case maybe);
- Request for procurement is endorsed by the concerned public safety office;
- Measurement of benefit:

Project Cost *DIVIDED BY* Number of Members directly to be benefited (per region/province/city/municipality, as the case maybe) = Amount of benefit per member

D. Special Requests of Public Safety Agencies/Partner Agencies not specifically covered above

Management, subject to the condition of benefit to members, may at its discretion provide for utilization of the CSR Fund for special requests of public safety agencies/partner agencies not specifically covered above;

VIII. MANAGEMENT OF THE FUND

The CSR Fund shall be supervised, monitored, and managed by the Treasury Department.

IX. CSR COMMITTEE

A. CSR Committee

A CSR Committee is hereby created composed of the following:

1. Chairman: GM/COO
2. Member: Manager, Investment Department; In the absence of the Chairman, the Manager, Investment Department acts as the Chairman;
3. Member: Manager, Marketing Department

B. Resource Persons

The following are designated as resource persons of the CSR Committee who shall be responsible for the area of concern, as follows:

Manager, ADMIN Department:

If transaction pertains to procurement of equipment and/or service, or construction and major repairs;

Manager, Insurance Department:

If the transaction pertains to:

- a. Requests of members which are not covered by policy contract, such as but not limited to, medical expenses, expenses arising from accident/sickness, hospitalization, financial assistance to members, calamity assistance to members, and assistance to members who are victims of unfortunate incidents; and
- b. Assistance to members affected by calamity and/or unfortunate incident;

C. Functions of the Committee

1. The Committee shall receive all the endorsed requests from Insurance and Administration Departments for funding and utilization of the CSR FUND;

2. The Committee shall determine if the request is for projects/activities that redound to the benefit of members. The request is coursed through the designated departments (Insurance and Administration, as the case maybe) and the concerned departments shall determine and/or justify the benefit which members may receive from such activity/project;
3. The Committee deliberates on the request and the endorsement of the concerned department, and recommends appropriate action to Management, the Executive Committee, or the Board of Trustees in accordance with the following levels of authority in disbursement of fund:

P 200,000.00 and below	–	PSMBFI President
Above P 200,000.00 to P 500,000.00	–	Chairman, Ex-Com
Above P 500,000.00	–	Chairman, BOT
4. Upon disbursement of fund, the committee shall periodically monitor the project/activity for which the Fund was allocated and utilized, the benefits derived by PSMBFI from such project/activity, and submits corresponding reports to Management and the Board of Trustees, if necessary; and
5. The Committee recommends to the Board of Trustees, thru Management, courses of action to further improve the utilization and management of the FUND;

X. PROCEDURES

1. Upon receipt of request from members/employees/PNP Offices, the PSMBFI concerned department or PSMBFI Management (for special requests) makes the necessary study and endorsement of the request to the Committee based on the guidelines in paragraphs V, VI, and VII above;
2. Committee deliberates on the request and the endorsement and submits its recommendations to the Management;
3. Management approves/disapproves or endorses to the Executive Committee and/or the Board of Trustees the recommendation of the committee. The following levels of authority shall be applied:

P 200,000.00 and below	–	PSMBFI President
Above P 200,000.00 to P 500,000.00	–	Chairman, Ex-Com
Above P 500,000.00	–	Chairman, BOT
4. Upon approval as provided above, the Treasury Department prepares the necessary voucher for release and payment of the request in accordance with the PSMBFI procedures for vouchers and release of payment;
5. The Treasury Department (Manager of the Fund) shall monitor the utilization of the Fund and submit corresponding reports to Management and/or the Board of Trustees on the status of the Fund.

6. Upon disbursement of fund, the CSR Committee shall periodically monitor the project/activity for which the Fund was allocated and utilized, the benefits derived by PSMBFI from such project/activity, and submits corresponding reports to Management and the Board of Trustees, if necessary;
7. The Committee recommends to the Board of Trustees, thru Management, courses of action to further improve the utilization and management of the FUND; and
8. Attached process flow forms part of these guidelines.

XI. EFFECTIVITY

These "**GUIDELINES AND PROCEDURES ON THE UTILIZATION OF CORPORATE SOCIAL RESPONSIBILITY (CSR) FUND**" shall be effective upon approval by the Board of Trustees. Existing guidelines and procedures inconsistent with this policy are rescinded and/or modified accordingly.

29 September 2014, San Juan City, Metro Manila, Philippines.

DIR MARIO A AVENIDO
President

CSR Fund Process Flow

