



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
 GEN. SOLANO ST., SAN MIGUEL, MANILA

CORPORATE OPERATING BUDGET

Calendar Year 2014

TO: SUBIC BAY METROPOLITAN AUTHORITY (SBMA)

Your Corporate Operating Budget (COB) for Calendar Year 2014 per approved Board Resolution No. 14-02-4992 and 14-05-5083 dated February 7, 2014 and June 5, 2014 respectively submitted pursuant to Section 6 of Executive Order (E.O.) No. 518, series of 1979 and Section 19, Chapter 3, Book VI of E.O. No. 292, series of 1987, is hereby approved for a total of **TWO BILLION FOUR HUNDRED SIXTY EIGHT MILLION SIX HUNDRED NINETY NINE THOUSAND PESOS ONLY (P2,468,699,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 4,151,272,000	P 4,151,272,000	P -
Corporate Funds	<u>3,384,315,000</u>	<u>3,384,315,000</u>	-
Corporate Income	2,488,224,000	2,488,224,000	-
Beginning Cash	896,091,000	896,091,000	-
Borrowings	766,957,000	766,957,000	-
TOTAL USES:	P 3,525,173,000	P 2,468,699,000	P (1,056,474,000)
Personnel Services (PS)	734,991,000	547,668,000	a/ (187,323,000) b/
Maintenance and Other Operating Expenses (MOOE)	<u>2,134,460,000</u>	<u>1,869,538,000</u>	<u>(264,922,000)</u>
Operating Expenses	949,919,000	709,997,000	c/ (239,922,000)
Other MOOE	1,184,541,000	1,159,541,000	d/ (25,000,000)
Capital Outlays (CO)	655,722,000	51,493,000	(604,229,000)
Excess/(Shortfall)	P <u>626,099,000</u>	P <u>1,682,573,000</u>	P <u>1,056,474,000</u>

Footnotes:

a/ Includes per diem amounting to P8,064,000 realigned from MOOE and prior years monetization of leave credits amounting to P25,000,000 realigned from Other MOOE.

b/ The SBMA shall strictly adhere to the following provisions of laws:

Under Section 6 of Presidential Decree No. 1597, GOCCs/GFIs exempted from the standardized/unified compensation scheme of the government shall observe such guidelines and policies as may be issued by the President governing position classification, salary rates, levels of allowances, and other forms of compensation and fringe benefits. Such government corporations shall report to the President, through the DBM, on their position classification and compensation plans, policies, rates and other related details following such specifications as may be prescribed by the President. Also, Section 5 thereof provides that allowances, honoraria and other fringe benefits shall be subject to the approval of the President upon recommendation of the DBM.

Sections 1 to 3 of Memorandum Order No. 20, s. 2001 direct GOCCs/GFIs that are exempted from the Salary Standardization Law (SSL) to:

1. Immediately suspend the grant of any salary increases and new or increased benefits not in accordance with those granted under SSL. This suspension covers senior officers and members of the board of directors/trustees.
2. Prepare a pay rationalization plan for senior officer positions and members of the board to reduce the actual pay package to not exceeding two (2) times the standardized rates for comparable national government positions.
3. Any increase in salary or compensation of GOCCs/GFIs that are not in accordance with the SSL shall be subject to the approval of the President.

Further, Section 9 of Joint Resolution No. 4, s. 2009 provides that exempt entities shall observe the policies, parameters and guidelines governing position classification, salary rates, categories and rates of allowances, benefits and incentives, prescribed by the President. Any increase in the existing salary rates, as well as, the grant of new allowances, benefits and incentives, or an increase in the rates thereof shall be subject to the approval by the President, upon recommendation of the DBM. Section 10 thereof, required exempt entities to submit their existing compensation and position classification systems and their implementation status to the DBM.

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Sections 8 and 9 of Executive Order No. 7, s. 2010 mandate that:

1. GOCCs/GFIs shall submit information on all salaries, allowances, incentives and other benefits.
2. Except salary adjustments pursuant to E.O. Nos. 811 s. 2009 and 900 s. 2010, a moratorium on the increase in the rates of salaries, and the grant of new or increase in the rates of allowances, incentives and other benefits is imposed until specifically authorized by the President.
3. Except reasonable per diems, the grant of allowances, bonuses, incentives, and other perks to members of the board of directors/trustees of GOCCs/GFIs is suspended until December 31, 2010, pending the issuance of new policies and guidelines on the compensation of board members.

In view of the foregoing, the PS level is computed as follows: (1) for types of allowances/benefits that are included in the approval of the Office of the President dated January 14, 1999 based on submitted/attached list, requirements are computed based on authorized rates.

The variance of P187.323 Million pertains to the following:

Particulars	Amounts in P '000	Remarks
- FOR PERMANENT POSITIONS		
<i>Overprovision:</i>		
• Salaries of newly hired personnel	97,162	- Based on (168) - actual no. of hired personnel
• Salary differential on proposed pay plan (2014)	82,329	- Limited to proposed 10% salary increase
• RATA	4,176	- Based on 2014 GAA rates
• Per Diem	576	- Based on E.O 24 rates
• Children's Allowance	3,507	- Based on 2013 actual
• Life & Retirement Insurance Premium	21	- Limited to 12% of total basic salary
• Philhealth Contributions	835	- Based on Philhealth Circular No. 1, s. 2005
• PY Monetization of leave credits	(25,000)	-
	163,606	
- FOR NON-PERMANENT POSITIONS		
<i>Overprovision:</i>		
• Rice Subsidy	1,458	- Limited to P1,500/month/employee
• Children's Allowance	1,170	- Limited to P100/month/dependent child (max. 4 children)/employee
• Meal Allowance	486	- Limited to P500/month/employee
• Anniversary Bonus	503	- Not a milestone.
• Philhealth Contributions	100	- Based on Philhealth Circular No. 1, s. 2005
	3,717	
Sub-total	167,323	- 249 filled positions
Not recommended:		
FY 2014 PBB	20,000	- Subject to evaluation and approval by the Inter-Agency Task Force, to be paid in FY 2015.
Total	187,323	

This review action shall not be construed as an authorization for specific expenditure items under PS. The grant of such items is subject to approval from the Office of the President. Further, it is understood that:

1. Standard allowances and benefits which are authorized to officials and employees of the National Government Agencies (NGAs) covered by SSL may be adopted provided these are not already being granted in other forms;
2. All other allowances/benefits not covered by the SSL shall be subject to approval of the President; and
3. The payment of salaries and increase in the rates thereof and the grant of allowances, benefits and incentives, or an increase in the rates thereof shall be subject to the approval of the President.

c/ MOOE level computed considering actual figures from previous years, and the effects of inflation. Extraordinary & Miscellaneous Expenses based on rates provided in the FY 2014 General Appropriations Act. Excludes per diem realigned to PS.

d/ Excludes P25.0M representing PY Monetization of leave credits realigned to PS

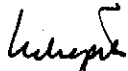
The approval of the COB shall be subject to the following conditions:

1. All expenditures, whether for current operating expenditures or COs, shall be made within the limits of available funds realized from corporate receipts, authorized corporate borrowings and National Government budgetary support either in the form of subsidy, equity or loans outlay.

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2. Disbursements for personnel amelioration/benefit shall be subject to the pertinent compensation laws, rules and regulations, including E.O. Nos. 7 and 24 dated September 8, 2010 and February 10, 2011, respectively. Such expenditures shall also be conditioned on the relevant General Provisions of Republic Act (R.A.) No. 10633, the FY 2014 General Appropriations Act (ex. Representation and Transportation Allowances under Section 54, General Provisions), or any specific law or approval of the President of the Philippines or Secretary of Budget and Management, as the case maybe.
3. Disbursements for extraordinary and miscellaneous expenses shall be subject to Section 41, General Provisions of R.A. No. 10633.
- 4 For equipment items per Annual Equipment Procurement Program that require specific clearance/approval from the Agencies concerned (ex. National Computer Center for information technology equipment and Office of the President/Department of Budget and Management/Supervising Department for motor vehicles), the same shall be secured before acquisition thereof in accordance with Corporate Budget Circular No. 17 dated February 9, 1996, National Budget Circular Nos. 446 and 446-A dated November 24, 1995 and January 30, 1998, respectively, Budget Circular No. 2010-2 dated March 1, 2010, Administrative Order (A.O.) No. 233 dated August 1, 2008, Office of the President Memorandum Circular No. 9 dated December 14, 2010 and A.O. No. 15 dated May 25, 2011, among others.
5. The fiscal discipline measures prescribed under A.O. No. 103 dated August 31, 2004 shall be observed.
6. It is understood that this review action does not authorize any item of expenditure that is prohibited by or inconsistent with the provisions of law.
7. The pertinent laws, rules and regulations including those on compensation, procurement, budgeting, accounting and auditing shall be strictly followed. Compliance with all existing laws, rules and regulations shall be the responsibility of the implementing government corporation.

Recommending Approval:


LORENZO C. DRAPETE
Director, BMB-F

Approved:

By Authority of the Secretary:


LUZ M. CANTOR
Undersecretary

Date: NOV 10 2014

Department of Budget and Management
BTS

COB-F2-14-0048

cc: The Chairman
Board of Directors, SBMA

Assistant Commissioner Lourdes M. Castillo
Commission on Audit (COA) - Central Office
COA Building, Quezon City

The Resident Auditor
COA-SBMA



2014-S09534L