



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

**CORPORATE OPERATING BUDGET**

Calendar Year 2015

**TO: SUBIC BAY METROPOLITAN AUTHORITY (SBMA)**

Your Corporate Operating Budget (COB) for Calendar Year 2015 per approved Board Resolution No. 14-11-5221 dated November 4, 2014 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 **ONE BILLION NINE HUNDRED EIGHTY SEVEN MILLION EIGHTY THOUSAND PESOS ONLY (P1,987,080,000)**, details are shown below:

| PARTICULARS                                     | PROPOSAL<br>(a)        | APPROVED<br>(b)        | VARIANCE<br>(c=b-a)      |
|---|------------------------|------------------------|--------------------------|
| <b>TOTAL SOURCES:</b>                           | <b>P 4,419,760,000</b> | <b>P 4,419,760,000</b> | <b>P -</b>               |
| Corporate Funds                                 | 4,275,998,000          | 4,275,998,000          | -                        |
| Corporate Income                                | 2,869,912,000          | 2,869,912,000          | -                        |
| Beginning Cash                                  | 1,406,086,000          | 1,406,086,000          | -                        |
| Borrowings                                      | 143,762,000            | 143,762,000            | -                        |
| <b>TOTAL USES:</b>                              | <b>P 3,442,929,000</b> | <b>P 1,987,080,000</b> | <b>P (1,455,849,000)</b> |
| Personnel Services (PS)                         | 1,101,138,000          | 617,303,000            | (483,835,000) a/         |
| Maintenance and Other Operating Expenses (MOOE) | 1,505,559,000          | 1,274,554,000          | (231,005,000)            |
| Operating Expenses                              | 937,223,000            | 706,218,000            | c/ (231,005,000)         |
| Other MOOE                                      | 568,336,000            | 568,336,000            | d/ -                     |
| Capital Outlays (CO)                            | 836,232,000            | 95,223,000             | (741,009,000)            |
| <b>Excess/(Shortfall)</b>                       | <b>P 976,831,000</b>   | <b>P 2,432,680,000</b> | <b>P 1,455,849,000</b>   |

**Footnotes:**

a/ 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.

Section 9 of Joint Resolution No. 4, s. 2009 provided 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.

Sections 8 and 9 of Executive Order No. 7, s. 2010 mandated 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.

**TO: SUBIC BAY METROPOLITAN AUTHORITY (SBMA)**

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, requirements are computed based on authorized rates.

The variance of P483,835 Million pertains to the following:

| Particulars   | Amounts in P<br>'000 | Remarks   |
|---|----------------------|---|
| <b>- FOR PERMANENT POSITIONS</b>  |                      | - 1,132 filled positions  |
| <i>Overprovision:</i>   |                      |   |
| • Salaries on newly hired/promoted  | 29,906               | - Based on 254 positions for hiring and promotion                           |
| • RATA  | 1,008                | - Based on 2015 GAA rates   |
| • Per Diem  | 576                  | - Based on E.O 24 rates   |
| • Philhealth Contributions  | 889                  | - Based on Philhealth Circular No. 1, s. 2005                               |
| • Children's Allowance  | 4,106                | - Limited to P100/month/dependent child (max. 4 children)/employee          |
| • FY 2014 Performance Based Bonus (PBB)                                       | 5,659                | - Limited to 1,343 employees & officials entitled to FY 2014 PBB            |
| • FY 2014 Performance Based Incentives for Board of Directors (BoD)           | 7,881                | - Pegged at P35,000 x 13 BoD  |
| • FY 2015 Salary differential on approved 10% salary increase, bonus and RLIP | 12,260               | - Limited to 1,132 filled permanent positions & 207 non-permanent positions |
| • FY 2014 & 2013 Salary differential on approved 10% salary increase          | 281,474              | - -do-  |
| <i>Charged to Savings</i>   |                      |   |
| • Loyalty Incentives  | 14,540               |   |
|   | <b>358,299</b>       |   |
| <b>- FOR NON-PERMANENT POSITIONS</b>  |                      | - 207 filled positions  |
| <i>Overprovision:</i>   |                      |   |
| • Children's Allowance  | 580                  | - Limited to P100/month/dependent child (max. 4 children)/employee          |
| • Life & Retirement Insurance Premium   | 1                    | - Limited to 12% of basic salary  |
| • Philhealth Contributions  | 82                   | - Based on Philhealth Circular No. 1, s. 2005                               |
|   | <b>663</b>           |   |
| <b>Sub-total</b>  | <b>358,962</b>       |   |
| <b>Not Recommended</b>  |                      |   |
| • Salary differential SSL 4th Tranche   | 124,873              | - Without OP approval   |
|   | <b>483,835</b>       |   |

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 based on figures from previous years and the effects of inflation. Extraordinary & Miscellaneous Expenses based on rates provided in the FY 2015 General Appropriations Act.

**TO: SUBIC BAY METROPOLITAN AUTHORITY (SBMA)**

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.
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. 10651, the FY 2015 General Appropriations Act (ex. Representation and Transportation Allowances under Section 56, 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. 10651.
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.

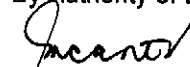
Recommending Approval:



**LORENZO C. DRAPETE**  
Director, BMB-F

Approved:

By Authority of the Secretary:



**LUZ M. CANTOR**  
Undersecretary

Date: **AUG 07 2015**

COB-F2-15-0005

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

Department of Budget and Management  
BTS



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