



## Annex D

### GUIDELINES ON EXPENSES

#### RATIONALE

This guideline is created primarily to enlighten SBMA employees, Members of the Board and stakeholders of SBMA of various expenses classification as well as the basic requirements and limitations of each expense for proper recording and easy processing of payment in case of availment.

#### OBJECTIVES

1. To set up a guidelines that will allow familiarization of various expense accounts by employees, Members of the Board and stakeholders of SBMA.
2. To summarize all the requirements and limitation of each expense for easy processing of payment and proper recording purposes.

#### **There are Four Major Classifications of Expenses**

##### **A. Personal Services (PS)**

- Refers to salaries, wages, other compensation (e.g., allowances of permanent, temporary, contractual and casual employees of the SBMA) and personnel benefits costs.

##### **B. Maintenance and Other Operating Expenses (MOOE)**

- All expenses resulting from the conduct of operation other than Personal Services (PS).

##### **C. Financial expenses (FE)**

- Refers to Debt Service payment such as interest expenses, guarantee/commitment fees and other bank charges.

##### **D. Capital Expenditures (CAPEX)**

- Refers to the infrastructure and non-infrastructure projects of the corporation such as construction of roads, ports, hospitals, irrigation facilities and other similar physical structures and facilities funded from corporate funds, borrowing or subsidy/equity from the national government. It also includes transportation equipment (motor vehicles, watercrafts and other related equipment), office equipment, furniture and fixtures, hand tools, medical equipment, security equipment, communication equipment, machineries, information technology equipment and other related equipment needed in the performance of line functions intended for administrative and support activities.

Chapter 10, Section 4 of the Government Accounting Manual (GAM) provides a threshold of P15,000.00 as a minimum cost of an individual asset to be chargeable to Capital Expenditures.

**DETAILED DESCRIPTION**

**PERSONAL SERVICES (PS)**

This classification shall include all manpower and personnel benefit costs which may include but not limited to salary, salary increases, step increment, incentive and service fees, commutation of vacation and sick leaves, retirement and life insurance premiums, compensation insurance premiums, health insurance premiums, Home Development Mutual Fund (HDMF) contributions, hospitalization and medical benefits, scholarship and educational benefits, all kinds of allowances, whether commutable or reimbursable, in cash or in kind, and other personnel benefits and privileges authorized by law, including the payment of retirement gratuities, separation pay and terminal leave benefits of employees under the following plantilla employment status as approved by the Department of Budget and Management (DBM):

- a. **Permanent** - issued to a person who meets all the minimum qualification requirements of the position to which he is being appointed, including the appropriate eligibility prescribed, in accordance with the provisions of law, rules, standards promulgated in pursuance thereof.
- b. **Casual** - issued only for essential and necessary services where there are not enough regular staff to meet the demands of the service.
- c. **Government Contractual** - issued to a person who shall undertake a specific work or job for a limited period not to exceed one year. The appointing authority shall indicate the inclusive period covered by the appointment for purposes of crediting services.
- d. **Co-terminus** - issued to a person whose entrance and continuity in the service is based on the trust and confidence of the appointing authority or of the head of the organizational unit where assigned; or co-existent with the incumbent; or limited by the duration of the project; or co-existent with the period for which an agency or office was created.

Any addition or deletion in the foregoing employment classification will have to be approved by the DBM.

**Maintenance and Other Operating Expenses (MOOE)**

**1. Travelling Expenses**

**Budget Form -302**

**a. Local Travel Allowance**

Officials and employees of the government may be allowed for local travel allowance or reimbursement of travelling and related expenses incurred in the course of official travel.

Executive Order (EO) 459 (S 2005), EO 248 and 248-A (S 1995) provides the following standard rates for local travel allowance with overnight stay.

Allowable Travel Expenses shall be in the amount of P800 per day which shall be apportioned as follows: 50% (P400.00) for hotel/lodging, 30% (P240.00) for meals, and 20% (P160.00) for incidental expenses.

<b>Allowances</b>	<b>Amount</b>	<b>Ratio</b>
Breakfast	P 80.00	

Lunch		80.00	30%
Dinner		80.00	
Incidental Expenses		160.00	20%
Lodging/Accommodation		400.00	50%
Total	P	800.00	100%

Meal allowances can be availed if the area of travel is beyond the fifty (50) kilometer-radius from SBMA. It can be availed if the area is at least Iba, Zambales if going to the North and San Fernando, Pampanga if going to the South.

Breakfast allowance of P80.00 can be availed if departure from SBFZ is earlier than 6am as long as the seminar/conference does not include breakfast. Lunch allowance of P80.00 can be availed as long as the seminar/conference does not include lunch. Dinner meal allowance can be availed only if there is an overnight stay. Evidences of the departure are the toll fee paid if going to the South and itinerary of travel and/or of certificate of appearance with time indication, if going to the North.

Allowances for Overnight Stay	First day	Succeeding day	Last day
Arrival not later than 12:00 noon	P 800.00		
Arrival after 12:00 noon	P 640.00		
Daily allowance		P 800.00	
Departure before 12:00 noon			P 240.00
Departure at 12:00 noon and later			P 320.00

Transportation expenses such as toll fees, parking fees and public transportation fees shall be allowed in going to and from the place of official travel destination during meetings/training, on reimbursable basis, subject to presentation of Official Receipts.

Payment of claims for reimbursement of travelling and related expenses incurred in the course of official travel, which are in excess of the authorized rates, may be allowed when certified by the Administrator and Chief Executive Officer as absolutely necessary in the performance of an assignment, and supported by at least three (3) canvasses prior to departure, Abstract of Canvass, official receipt and allotment availability.

#### **Documentary Requirements in case of Local Travel**

1. Duly Approved Authorization for Travel
2. Itinerary of Travel
3. Certificate of Appearance
4. Certificate of Travel Completed
5. Trip Ticket, in case of reimbursement of toll fees

To request for budget inclusion, **Budget Form 301** shall be filled up and submitted to Human Resource Management Department (HRMD) on or before the required due date of submission of the Project Procurement Management Plan (PPMP) and may include the following:

- i. **Training related** – these are travel expenses related to external trainings/conferences/seminars for a maximum of five (5) days per training/conference/seminar per employee.

ii. **Operations related** – these are travel expenses related to attendance of various official meetings and site visits.

**b. Foreign Travel Allowance**

Normally, no allocation is provided per department. The FPBD shall however provide for a lump-sum allotment under the Special Operation for Additional Revenues (SOAR) Project to provide for travel expenses that are focused on generating additional revenues. The charging of expenses to SOAR shall be subject to the approval of the Administrator upon the recommendation of the Strategic Business Unit (SBU) Heads.

Computation of Foreign travel allowance is based on the Daily Subsistence Allowance (DSA) as provided under the United Nations Development Program Index which can be secured from the Department of Foreign Affairs (DFA). The apportionment as to hotel expenses, meals and incidental expenses depends on the country of destination.

There are two ways in processing payment for foreign travel allowance:

**i. Cash advance and liquidation of cash advance**

- Payment initially through cash advance. The following are the documentary requirements in case of cash advance for foreign travel:
  - Invitation for the travel
  - Duly Approved Authorization for Foreign Travel
  - Itinerary of Travel
  - DSA Rate which shall be computed by the Accounting Department
  - Office Order
  - Duly Accomplished Cash Advance Form
  - Trip Ticket in case SBMA will shoulder the plane ticket
- Liquidation of cash advance. The following are the documentary requirements In case of liquidation of cash advance used for foreign travel:
  - Certificate of Appearance
  - Certificate of Travel Completed
  - Boarding Pass
  - Narrative Report on Trip Undertaken
  - Revised Itinerary of Travel, if needed

**ii. Reimbursement of Foreign Travel Expenses**

- Memorandum requesting for reimbursement foreign travel expenses
- Invitation for the trip
- Duly Approved Authorization for Foreign Travel
- Itinerary of Travel
- DSA Rate which shall be computed by the Accounting Department
- Office Order

- Trip Ticket in case SBMA will shoulder the plane ticket
- Certificate of Appearance
- Certificate of Travel Completed
- Boarding Pass
- Narrative Report on Trip Undertaken
- Revised Itinerary of Travel, if needed

To request for budget inclusion, Budget Form 303 must be accomplished and submitted to the Financial Planning and Budget Department on or before the required due date of submission of the Project Procurement Management Plan (PPMP).

**2. Communication Expenses Budget Form -303**

The following are the regular communication expenses of SBMA:

- a. **Landline/Leased lines** – the Telecoms Department normally evaluates the request for additional line and its evaluation is limited only to the following technical matters:
  - **Digital Phone** – no extension is allowed
  - **Analog Phone** – maximum of two (2) extensions are allowed
  - Availability of line circuits in the area
  
- b. **Mobile phone services** – the following are the officials and employees who are qualified to utilize mobile phone for official use and the corresponding allowed spending limit per month:

<b>Position</b>	<b>Spending limit</b>
Chairman	P 20,000.00
Administrator	P 20,000.00
Senior Deputy Administrator	P 3,500.00
Deputy Administrator	P 3,500.00
Department Manager	P 2,500.00
Chief of Staff (for the Chairman and Administrator)	P 1,200.00
Division Chief	P 1,200.00
Executive Assistant (for the Chairman and Administrator)	P 800.00
Consultant (as provided in the contract)	P 0.00
Others (including Account Officers, Security escort for the Chairman/LED Desk Officer for E911, etc.)	P 500.00

**Guidelines on Mobile Phone/Subscription Plan**

The mobile phone/ subscription plan shall be dependent on the availability of fund allocated for the communication expenses of the requesting department. Entitlement to mobile phone shall terminate the use of existing PIN NDD-Access to limit Communication Expenses.

Request for exemption, to increase the existing subscription plan or the proposed spending limit shall be pre-approved by the Board of Directors with prior approval of the SBU Head and the Administrator, thru the DA for Finance.

Request to avail new mobile phone subscription shall be approved by the SBU Head subject to necessity and availability of fund of said department as certified by FPBD.

Mobile phone assignees are entitled to consume up to the extent of allocated spending limit for the following basic services:

- Voice Call Services
  - Mobile to Mobile
  - Mobile to Landline
  - NDD access for Domestic Long Distance
- Short Message Services
  - Text to all Service Provider Networks

In the event that the assignee is separated from employment, the concerned immediate superior shall take on the responsibility of retrieving the unit and to internally redeploy the account to the person who shall assume the vacated position. This is to continue the subscription for the remainder of the contract and to avoid penalty as levied by the Service Provider. Also, PIN account of said person shall be deactivated in lieu of the mobile phone.

The following shall be considered personal and shall be billed to and paid by the assignee:

- Usage in excess of approved spending limit
- Costs incurred for Enhanced Services enjoyed exclusive of the consumable basic services.
- Costs incurred for IDD access for International Long Distance and International Roaming except when the assignee and the party/official being called is on Official foreign travel.
- Usage during prolonged leave of absence (above 10 working days). The official who authorized the leave shall notify Telecoms Department for the computation of the charges.

With regards to issuance of Billing Assessment for personal charges, the following timeline should be observed:

<b>DATE</b>	<b>PARTICULARS</b>	<b>RESPONSIBLE DEPARTMENT</b>
Last working day of the 1 month	Issuance of Billing Assessment (BA)	Telecom
7th day (of succeeding month)	Payment due date of BA	Assignee
10th day (of succeeding month)	Provide Treasury list of unpaid BA	Telecom
15 <sup>th</sup> day (of succeeding month)	Provide LandBank a Letter of Authority to deduct charges from Assignee's salary	Treasury
16 <sup>th</sup> day (of billing month)	Apply credit memo of salary deductions to proper billing assessment	Treasury

Reimbursement of Certified Official Usage may be allowed when the assignee certifies that the excess is for official business. Claims for reimbursement shall be accompanied with a list that accounts the name, company, contact number and official destination of the party called. The claim for reimbursement shall be endorsed by concerned Department Head for approval of their respective SBU Head, chargeable against savings from the department's operation. Approving authority is as follows:

POSITIONS	ENDORSED BY	APPROVED BY
Department Manager and Below	Deputy Administrator	SBU Head
Deputy Administrator	Senior Deputy Administrator	Administrator
Senior Deputy Administrator		Administrator
Administrator		

As for the handsets, the assignee is expected to take proper care and maintenance of the unit. Repair costs of damaged handsets and sim card for defects from abuse or misuse not covered by warranty shall be shouldered by the assignee as determined by Telecom Department.

As for lost/stolen handsets, the following procedures shall be observed:

- The assignee shall notify first the Telecom Department for temporary deactivation of line.
- The assignee to prepare Incident Report to be endorsed to LED for investigation.
- Assignee to request relief of accountability to the Administrator and CEO. The Administrator and CEO shall endorse the request for relief of accountability to COA.
- As for the handsets under expired subscription of Service Provider, the assignee shall endorse the unit to Telecom Department for inspection. The latter shall turn over the non-serviceable units to Procurement and Property Management Department for proper disposal. Mobile phone is advantageous for mobility of transactions however the assignee is encouraged to maximize the use of landline and Internet services.

c. **Postal/Courier Services** – This account all expenses for mailing letters and documents within or outside the Subic Bay Freeport Zone. Budget allocation is usually based on trend or utilization of the budget.

d. **Internet/DSL** – This account includes all expenses related to our connectivity to internet. Budget allocation is usually based on recommendation of the Information Technology Department.

To request for budget inclusion, **Budget Form 303** must be accomplished and submitted to the Financial Planning and Budget Department on or before the required due date of submission of the Project Procurement Management Plan (PPMP).

### 3. **Repairs and Maintenance – Building and Facilities**      **Budget Form -304**

This account includes the cost for minor repairs only of SBMA buildings and facilities such as public buildings, housing units, roads, bridges, utility systems, seaports, wharves, parks and other public facilities.

Work programs should have the appropriate scoping/cost estimates from the Engineering or Construction and Maintenance Department.

To request for budget inclusion fill up **Budget Form – 304** for project details and submit to the Engineering Department for evaluation, consolidation and scheduling by year.

**4. Repairs and Maintenance – Government Vehicles Budget Form -305**

This account includes the cost for minor repairs only of SBMA vehicles (including watercrafts) such as services, spare parts and materials.

Repair works shall be requested to the Construction and Maintenance Department for validation and endorsement for budgeting purposes. Fill up **Budget Form – 305** for details and submit it to the Construction and Maintenance Department for evaluation, consolidation and scheduling by year.

**5. Supplies and materials Budget Form -307**

This account includes the cost of all expendable commodities acquired or ordered for immediate use in connection with SBMA operations. This account also includes batteries and tires.

Fill up **Budget Form – 307** for details and submit it to the Financial Planning and Budget Department for consolidation prior to sending to PPMD for evaluation and review.

**6. Rents Budget Form -308**

This account includes the cost for booth/space rental, copying machine charges and rental of equipment.

Normally, the FPBD does the allocation based on the equipment/property being leased. In case there is a need for additional budget, **Budget Form - 308** must be accomplished and send to FPBD.

**7. Awards and Indemnities Budget Form -311**

This account includes the cost for Employee of the Quarter, Employee of the Year, Loyalty award, Model Contract of Service Personnel (Quarterly award), cash gift award for retiree and other related expenses thereto.

Fill up **Budget Form – 311** for details and submit it to the Financial Planning and Budget Department for consolidation prior to sending to PPMD for evaluation and review.

**8. Power/Water Budget Form -314**

This account includes the cost of water and power of all government used facilities. Utilities Department, provides for the estimated amount based on the previous year's consumption. In case there is a need for additional allocation, **Budget Form - 314** must be accomplished and send to FPBD.

**9. Training – Local Budget Form -317**

Human Resources Development and Training Programs should be responsive to the trainings needs of personnel and manpower requirements of the agency. It should also include human resource development and training program that will promote high morale, efficiency, integrity, responsiveness, progressiveness, courtesy, nationalism and patriotism. Training programs should be consistent with the rules and regulations issued by the CSC for the purpose.



**4. Repairs and Maintenance – Government Vehicles Budget Form -305**

This account includes the cost for minor repairs only of SBMA vehicles (including watercrafts) such as services, spare parts and materials.

Repair works shall be requested to the Construction and Maintenance Department for validation and endorsement for budgeting purposes. Fill up **Budget Form – 305** for details and submit it to the Construction and Maintenance Department for evaluation, consolidation and scheduling by year.

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This account includes the cost of all expendable commodities acquired or ordered for immediate use in connection with SBMA operations. This account also includes batteries and tires.

Fill up **Budget Form – 307** for details and submit it to the Financial Planning and Budget Department for consolidation prior to sending to PPMD for evaluation and review.

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This account includes the cost of water and power of all government used facilities. Utilities Department, provides for the estimated amount based on the previous year's consumption. In case there is a need for additional allocation, **Budget Form - 314** must be accomplished and send to FPBD.

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Human Resources Development and Training Programs should be responsive to the trainings needs of personnel and manpower requirements of the agency. It should also include human resource development and training program that will promote high morale, efficiency, integrity, responsiveness, progressiveness, courtesy, nationalism and patriotism. Training programs should be consistent with the rules and regulations issued by the CSC for the purpose.

General Provisions were based on National Budget Circular (NBC) No. 442 (S. 1995) and NBC No. 486 (S. 2003).

The budget estimates shall cover the following:

- a. On-site Training. Normally, there is a lump-sum training fund under the Human Resource Management Department to cover payment of honoraria, meals and accommodation of facilitators and snacks of participants.
- b. Departmental Training Re-echo- Normally, there is a lump-sum amount being included in the budget of the Human Resource Management Department to cover snacks of participants in case of re-echo.

For Continuing Professional Education (CPE) in compliance with Professional Regulations Commission (PRC) requirement for RA 1080 Eligible, there is a maximum of forty (40) hours CPE Training per person @ P2,000/day. Fill up Budget Form – 317 with the list of personnel that needs CPE credits and the schedule for attendance/availment of the training, then submit to the Human Resource Management Department for evaluation, consolidation and scheduling by year.

For Conferences and or Seminars, the maximum allowed number of hours is forty (40) hours per division plus forty (40) hours for Department @ P2,000 per day. Re-echo must be conducted afterwards.

Normally, no training fund is allotted for foreign training. In highly meritorious cases, the expense shall be chargeable against savings as certified by the Finance Group subject to approval of the Administrator upon the recommendation of the SBU Heads.

**10. Extra-ordinary and Miscellaneous Expenses Budget Form -318**

Extraordinary and miscellaneous expenses are for reimbursement only and shall include but not be limited to the following expenses:

- (a) Meetings, seminars and conferences;
- (b) Official entertainment;
- (c) Public relations;
- (d) Educational, athletic and cultural activities;
- (e) Contributions to civic or charitable institutions;
- (f) Membership in government associations;
- (g) Membership in national professional organizations duly accredited by the Professional Regulations Commission;
- (h) Membership in the Integrated Bar of the Philippines;
- (i) Subscription to professional technical journals and informative magazines, library books and materials;
- (j) Office equipment and supplies;
- (k) Other similar expenses not supported by the regular budget allocation.

FPBD usually provides allocation based on the General Provisions of the General Appropriations Act every year.

**11. Fuel, Oil and Lubricants****Budget Form -323**

Fuel allocation of the Board will be based on Executive Order No. 24 while fuel allocation for the management shall be based on the Board approved guidelines, Resolution No. 13-05-4766 (S.2013) as follows:

<b>Department/Office</b>	<b>Fuel Allocation (Monthly)</b>
Administrator's Office	2,000 liters
Chairman	450 liters
Planning and Development's Office	400 liters
Public Relations Office	500 liters
Media Production Department	300 liters
Intelligence Office	500 liters
Internal Audit Service	200 liters
Information Technology Department	200 liters
Board Secretariat	200 liters
Office of the SDA for Internal Services	200 liters
Office of the DA for Administration	200 liters
Human Resource Management Department	200 liters
Procurement and Property Management Department	1,000 liters
Office Services Department	600 liters
Office of the DA for Legal Affairs	200 liters
Legal Department	500 liters
Labor Department	500 liters
Office of the DA for Finance	200 liters
Accounting Department	300 liters
Financial Planning and Budget Department	200 liters
Treasury Department	1,000 liters
Office of the SDA for Business and Investment	200 liters
Land and Asset Management Department	600 liters
BID for Logistics	300 liters
BID- GBID	300 liters
BID-Leisure	300 liters
BID-Manufacturing and Maritime	300 liters
BID-ICT	300 liters
Office of the DA for Tourism	200 liters
Tourism Department	1,500 liters
Office of the SDA for Public Service	200 liters
Fire Department	2,500 liters
Law Enforcement Department	25,000 liters
Public Health Department	1,000 liters
Office of the DA for PWTSG	200 liters
Engineering Department	600 liters
Construction and Maintenance Department	25,000 liters
Office of the SDA for Port Operations	200 liters
Airport Department	1,500 liters
Airport Department (Genset)	6,000 liters/yr
Seaport Department	1,500 liters
Seaport Department (Vessel)	4,000 liters

Trade Facilitation and Compliance Department	200 liters
Office of the SDA for Regulatory	200 liters
Safety Department	200 liters
Ecology Department	1,000 liters
Telecommunication Department	800 liters
Visa and Accreditation Processing Office	200 liters
Regulatory Monitoring Unit	1,000 liters

**Others not availing Transportation Allowance allocations are the following:**

<b>Department/Office</b>	<b>Fuel Allocation (Monthly)</b>
Senior Deputy Administrators	400 liters
Deputy Administrators	300 liters
Department Managers	200 liters
Division Chiefs	120 liters
Consultants	200 liters
Pastolan Tribal Group	250 liters

The PPMD does the allocation based on the policy. While there is a policy, departments/offices are required to fill up the form and submit to PPMD since there are departments/offices that do not have a transportation equipment. Fill up **Budget Form – 323**.

### **12. Repairs and Maintenance of Other Equipment**

**Budget Form -329A**

This account includes the cost for minor repairs of equipment like air conditioning unit, camera, etc., such as services, spare parts and materials.

Request for repair works shall be coursed through to the appropriate Expense Account Manager (EAM) for validation and endorsement to FPBD for budgeting purposes. Fill up **Budget Form-329A** for details and submit it to the designated EAM for evaluation, consolidation and scheduling by year.

### **13. Consultancy**

**Budget Form -329B**

Professional consultancy services include contracts with individual consultant is an expert in a field of special knowledge or training who is contracted to render particular outputs or services primarily advisory in nature requiring highly specialized or technical expertise which cannot be provided by the regular staff of the agency. Such hiring creates no employer-employee relationship between the individual consultant and the agency.

Consultancy services shall be requested to the Chairman's Office. Fill up **Budget Form - 329B** for details, indicating whether new or continuation of existing contract, and submit it to the Chairman's Office for evaluation and approval.

### **13. All Other Services**

**Budget Form -329D**

This account includes expenses that are not covered by the foregoing expense accounts which may include but not limited to the following: grants, subsidies, contributions, legal services, printing expenses, pest control, maintenance services, meals, Gender and Development Expenses, manuals, memberships, expenses on special events, subscriptions, honoraria, and others.

Trade Facilitation and Compliance Department	200 liters
Office of the SDA for Regulatory	200 liters
Safety Department	200 liters
Ecology Department	1,000 liters
Telecommunication Department	800 liters
Visa and Accreditation Processing Office	200 liters
Regulatory Monitoring Unit	1,000 liters

**Others not availing Transportation Allowance allocations are the following:**

<b>Department/Office</b>	<b>Fuel Allocation (Monthly)</b>
Senior Deputy Administrators	400 liters
Deputy Administrators	300 liters
Department Managers	200 liters
Division Chiefs	120 liters
Consultants	200 liters
Pastolan Tribal Group	250 liters

The PPMD does the allocation based on the policy. While there is a policy, departments/offices are required to fill up the form and submit to PPMD since there are departments/offices that do not have a transportation equipment. Fill up **Budget Form – 323**.

### **12. Repairs and Maintenance of Other Equipment**

**Budget Form -329A**

This account includes the cost for minor repairs of equipment like air conditioning unit, camera, etc., such as services, spare parts and materials.

Request for repair works shall be coursed through to the appropriate Expense Account Manager (EAM) for validation and endorsement to FPBD for budgeting purposes. Fill up **Budget Form-329A** for details and submit it to the designated EAM for evaluation, consolidation and scheduling by year.

### **13. Consultancy**

**Budget Form -329B**

Professional consultancy services include contracts with individual consultant is an expert in a field of special knowledge or training who is contracted to render particular outputs or services primarily advisory in nature requiring highly specialized or technical expertise which cannot be provided by the regular staff of the agency. Such hiring creates no employer-employee relationship between the individual consultant and the agency.

Consultancy services shall be requested to the Chairman's Office. Fill up **Budget Form - 329B** for details, indicating whether new or continuation of existing contract, and submit it to the Chairman's Office for evaluation and approval.

### **13. All Other Services**

**Budget Form -329D**

This account includes expenses that are not covered by the foregoing expense accounts which may include but not limited to the following: grants, subsidies, contributions, legal services, printing expenses, pest control, maintenance services, meals, Gender and Development Expenses, manuals, memberships, expenses on special events, subscriptions, honoraria, and others.

Fill up **Budget Form-329D** for details and submit it to the Financial Planning and Budget Department together with the details and justification for to include in the budget.

**Capital Expenditures (CAPEX)**

Capital Expenditures are classified into the following categories:

1. Infrastructures
2. Equipment Outlay
3. Information Technology Equipment

The requirement for Capital Expenditures are submitted to the following Departments/Offices for evaluation, and scheduling if necessary prior to submission to the Financial Planning and Budget Department for inclusion in the budget:

Items	Department
all office related electric powered equipment and ICT related equipment and peripherals except equipment purely used for communication and sound productions	Management Information Systems Office
all non-office related electric powered equipment and equipment used purely for communications or sound productions	Telecommunications Department
Infrastructures	Office of Deputy Administrator for Public Works
Furniture and Fixtures	Procurement and Property Management Department
Motor Vehicles/Heavy Equipment/ Other Equipment	Construction and Maintenance Department

Annually, each department is required to submit a three-year plan for Capital Expenditures. Please fill up **Budget Form – 400** to the designated Expense Account Manager for evaluation and consideration within the Target Amount per year.

**1. Land/Land Improvement Budget Form – 434 and 434A**

The costs of rights to land ownership and the pertaining improvements to land such as filling, grading, draining, surveying and planting trees.

Fill up **Budget Form – 434 and 434A** for project details and submit to the Engineering Department for evaluation, consolidation and scheduling by year.

**2. Building and Structures Outlay Budget Form – 435 and 435A**

The cost of buildings and structures purchased or constructed and permanent improvements thereto.

Fill up **Budget Form – 435 and 435A** for project details and submit to the Engineering Department for evaluation, consolidation and scheduling by year.

### **3. Equipment Outlay**

### **Budget Form – 436 and 436A**

Refers to furniture, fixture, equipment and books whose serviceable life is more than one year which adds to the assets of the SBMA. This outlay is further broken down into categories listed below (A to F). Fill up **Budget Form – 436 and 436A** for details.

#### **A. Information Technology Equipment**

Submit accomplished forms for evaluation, consolidation and scheduling by year with the MISO for technical evaluation and certification of its inclusion in the National Computer Center approved Information Systems Strategic Plans (ISSP).

#### **B. Electronics and Communication Equipment**

Submit accomplished forms for evaluation, consolidation and scheduling by year with the Telecommunication Department.

#### **C. Motor Vehicles and Heavy Equipment/Watercraft**

Submit accomplished forms for evaluation, consolidation and scheduling by year with the Construction and Maintenance Department.

#### **D. Office Furniture and Fixture**

Submit accomplished forms for evaluation, consolidation and scheduling by year with the Procurement & Property Management Department.

#### **E. Other Equipment**

Submit accomplished forms for evaluation, consolidation and scheduling by year with the Construction and Maintenance Department.

#### **F. Medical Equipment**

Submit accomplished forms for evaluation, consolidation and scheduling by year with the Public Health and Safety Department (such as initial medicine kit, others).

**The following guidelines should be considered in the determination of equipment requirements:**

1. The equipment requirements that are directly needed in the performance of line functions should be satisfied first before items intended for administrative and staff support activities are considered.
2. The repair and rehabilitation of existing equipment should be considered as an alternative to the purchase of new items. Also, requests to replace necessary unserviceable equipment should be given priority over the purchase of additional items.
3. As a general rule, replacement of motor vehicles such as medical ambulances, patrol vehicles, utility vehicles, and those which are directly related to the performance of substantive functions of the SBMA shall be given priority over additional requirement.
4. The optimum utilization of existing equipment should be a pre-condition for the provision of additional items. As much as possible, equipment like copying machines, audio-

visual equipment, and other equipment types that can be shared must be pooled for common use.

5. Submission of equipment/motor vehicle requirements should include complete specifications and justifications.

**For capital outlays other than equipment, the following guidelines must be considered:**

1. The completion of on-going projects should be given first priority over new requirements.
2. The major repair and rehabilitation of existing occupied buildings and structures or those that will be used in connection with the SBMA's line functions should be given priority over the construction of new ones.
3. Proposed civil works must be accompanied by cost-benefit analysis.
4. Detailed engineering and construction supervision services must be included in the estimated cost of civil works.
5. The Engineering Department will screen, approve and consolidate all civil works projects.

**GUIDELINES ON BUDGET REALIGNMENT**

1. Restricted Expenditures. The amounts programmed, particularly for, but not limited to, petroleum, oil and lubricants as well as for water, illumination and power services, telephone and other communication services, rent, repair and maintenance, retirement gratuity and terminal leave requirements shall be disbursed solely for such items of expenditures: PROVIDED, That any savings generated from these items after taking into consideration the agency's full year requirements may be realigned only in the last quarter.
2. Realignment shall be done only for emergency/extraordinary projects that may arise during the budget period.

**Threshold/Approving Official**

1. Php 500,00 and below – SBU Head
  2. Above Php 500,000 – Administrator
  3. Php 5M and above - Board of Directors
3. Reallocation or transfer of budgetary funds within the same expense account from one department/office to another as approved by the SBU Head upon recommendation and/or concurrence of the concerned sponsoring department/office.

**Example:**

Reallocation of Local Travel Budget amounting to Php 10,000  
from BU (1) Administrator's Office Local Travel (10,000)  
to BU (2) Intelligence and Investigation Office Local Travel 10,000



Note: This is to maintain the same level of expense account in an SBU. Requested amount should not exceed the SBU Budget.

4. Realignment or transfer of budgetary funds from one expense account to another expense account within the BU or between BU's under the same SBU. This shall be approved by the SBU head upon concurrence of the sponsoring department/office.

Example:

*Within the BU:*

from Administrator's Office	Supplies and Materials account	(10,000)	
to Administrator's Office	Communications account		10,000

*Between BU's under the same SBU:*

from Administrator's Office	Supplies and Materials account	(10,000)	
to Internal Audit's Office	Communications account		10,000

Note: This is to maintain the same level of budgetary funds per SBU.

5. In case there is a need to realign budgetary funds between Expense Class (MOOE to CAPEX or vice versa), the requesting department shall seek the approval of the SBMA Board of Directors, with prior approval of their SBU Head and the Chairman & Administrator, upon recommendation of the Financial Planning and Budget Department. As this entails augmentation of the expense class, the realignment needs to be approved further by the DBM.

6. In case there is a need to realign budgetary funds from CAPEX to CAPEX, the requesting department shall fill up the Budget Realignment form and the APP Inclusion form with prior approval of their SBU Head.

Note: Maintain the same level of the item previously approved by the board, observed the quantity and the item name included therein, any changes is subject to realignment.

7. In case the budget for Key Initiatives shall be utilized for other projects, the requesting department shall seek the approval of the SBMA Board of Directors, with prior approval of their SBU Head and the Chairman and Administrator, upon the recommendation of the Financial Planning and Budget Department.

Note: FPBD must be furnished with a copy of all approved budget realignment requests as well as the approved APP Realignment Forms to facilitate smooth processing of Purchase Requests and/or Budget Utilization Request.