



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
 BONCODIN HALL, GENERAL SOLANO STREET, SAN MIGUEL, MANILA

CORPORATE OPERATING BUDGET

Fiscal Year 2018

TO: SUBIC BAY METROPOLITAN AUTHORITY (SBMA)

Your Corporate Operating Budget (COB) for Fiscal Year 2018 per approved Board Resolution No. 17-10-0440 dated November 9, 2017 submitted pursuant to Section 6 of Executive Order (EO) No. 518, series of 1979 and Section 19, Chapter 3, Book VI of EO No. 292, series of 1987, is hereby approved for a total of **FIVE BILLION SEVEN HUNDRED SIXTY SEVEN MILLION ONE HUNDRED SIXTY SIX THOUSAND PESOS ONLY (P5,767,166,000)**, details of which are shown below:

| PARTICULARS | PROPOSAL (a) | APPROVED (b) | VARIANCE (c=b-a) |
|---|-------------------------|-------------------------|--------------------------|
| TOTAL SOURCES: | P 10,019,671,000 | P 10,019,671,000 | P - |
| Corporate Funds | 7,388,057,000 | 7,388,057,000 | - |
| National Government (NG) Budgetary Support | 2,631,614,000 | 2,631,614,000 | - |
| NG Subsidy | 2,574,429,000 | 2,574,429,000 | - |
| NG Equity | 57,185,000 | 57,185,000 | - |
| TOTAL USES: | P 10,019,671,000 | P 5,767,166,000 | P (4,252,505,000) |
| Personnel Services (PS) | 1,023,407,000 | 983,018,000 | (40,389,000) a/ |
| Maintenance and Other Operating Expenses (MOOE) | 3,787,454,000 | 3,482,672,000 | (304,782,000) |
| Operating Expenses | 1,147,526,000 | 842,744,000 | (304,782,000) b/ |
| Other MOOE | 2,639,928,000 | 2,639,928,000 | - |
| Debt Service | 539,250,000 | 539,250,000 | - |
| Dividends to National Government | 552,064,000 | 552,064,000 | - |
| Power Subsidy to Hanjin Heavy Industries and Construction - Philippines, Inc. | 1,548,614,000 | 1,548,614,000 | - |
| Capital Outlays (CO) | 5,208,810,000 | 1,301,476,000 c/ | (3,907,334,000) |
| Excess/(Shortfall) | P - | P 4,252,505,000 | P 4,252,505,000 |

Footnotes:

a/ The variance in PS refers to overprovision of the following PS items, as shown below:

| | |
|---|---------------------|
| • Salaries | P 5,553,000 |
| • Personnel Economic Relief Allowance | 1,104,000 |
| • Uniform/Clothing Allowance | 276,000 |
| • Year-end Bonus | 227,000 |
| • Cash Gift | 230,000 |
| • Productivity Enhancement Incentive | 230,000 |
| • Life & Retirement Insurance Premium | 322,000 |
| • Employees Compensation Insurance Premium | 56,000 |
| • Pag-IBIG Contributions | 56,000 |
| • Representation & Transportation Allowance | 936,000 |
| • Per diem of Board of Directors | 5,222,000 |
| • Performance-Based Bonus | 26,177,000 |
| Total | P 40,389,000 |

Recommendation covers 1,564 positions only out of the 1,656 authorized positions. Variance pertains to excess in the computation of PS requirements for the 46 unfilled positions.

Excess in the rates pursuant to pertinent General Provisions of the annual GAA
 Excess in the rates based on EO No. 24
 Excess in the computed FY 2017 PBB

b/ The MOOE level was computed taking into consideration the actual/audited expenses for previous years plus the effects of inflation. Details of variance as follows:

| Particulars | Amount |
|---|----------------------|
| Communication Expenses | P 84,000 |
| Repair & Maintenance of Government Vehicles | 6,741,000 |
| Gasoline, Oil and Lubricants | 1,092,000 |
| Repair & Maintenance of Government Facilities | 134,779,000 |
| Contracts of Service | 81,886,000 |
| Consultancy Services | 78,017,000 |
| Honoraria | 1,100,000 |
| Meals and Reimbursements | 1,083,000 |
| | P 304,782,000 |

TO: SUBIC BAY METROPOLITAN AUTHORITY (SBMA)

c/ The variance in CO pertains to requirements of projects which cannot be implemented in the current year and thus expected to spill over in FY 2019 based on supporting documents provided by the SBMA, broken down as follows:

| | | |
|--|----------|----------------------|
| Land and Land Improvements | P | 476,048,000 |
| Buildings and Structures | | 214,513,000 |
| Office Equipment, Furniture and Fixtures | | 181,215,000 |
| Machineries and Equipment Outlay | | 22,343,000 |
| Transportation Equipment | | 160,962,000 |
| Public Infrastructure | | 246,395,000 |
| Total | P | 1,301,476,000 |

Notwithstanding the above-indicated variances in MOOE and CO, the SBMA has the flexibility to modify its utilization within the DBM-approved budget level for each allotment class, for items funded out of corporate funds. In case of those funded out of National Government budgetary support, Section 72 of the General Provisions of RA No. 10964 on the rules on the modification in the allotment

The following conditions shall be observed and complied with:

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. Any increase in the approved principal COB in the course of the budget year, as may be warranted by additional corporate receipts, shall require the submission of a supplemental COB to cover the additional expenditures.
3. This approval shall not be construed as an authorization for specific expenditure items under PS which requires prior approval by the Office of the President (OP) of the Philippines. Disbursement for PS shall strictly observe pertinent compensation laws, rules and regulations, including EO Nos. 7 and 24 dated September 8, 2010 and February 10, 2011, respectively, and EO No. 203 as amended by EO No. 36 (Suspending the Compensation and Position Classification System under EO No. 203, providing for Interim Compensation Adjustments, and for Other Purposes) for GOCCs covered by RA No. 10149. Such expenditures shall be subject to relevant conditions under the General Provisions of the annual General Appropriations Act (GAA) or any specific law or approval of the President of the Philippines and/or Secretary of Budget and Management or the GCG, as the case may be.
4. Disbursements for extraordinary and miscellaneous expenses (EME) and other MOOE expenditures shall be subject to relevant provisions of the annual GAA, among others.
5. Equipment Outlays included in the Annual Procurement Program that require specific clearance/approval from the agencies concerned (e.g. Department of Information and Communications Technology, particularly the Medium-Term Information and Communications Technology Harmonization Initiative Steering Committee) for information and communication technology equipment and OP/Department of Budget and Management/Supervising Department for procurement of motor vehicles). The same shall be secured before acquisition thereof in accordance with Corporate Budget Circular No. 17 dated February 9, 1996, Budget Circular No. 2017-1 (amending BC No. 2016-5) dated April 26, 2017, and AO No. 15 (amending AO No. 233, s. 2008) dated May 25, 2011, OP Memorandum Circular No. 9 dated December 14, 2010, among others.
6. Electronic payment shall be observed in the disbursement of corporate and public funds. In case the same is impracticable, the GOCC shall be allowed to continue with the existing payment scheme.
7. Notwithstanding the repeal of AO No. 103, existing laws, rules and regulations mandating the judicious and prudent use of government funds shall be observed. No irregular, unnecessary, extravagant, excessive and unconscionable expenses shall be incurred pursuant to AO No. 6 dated September 19, 2017.
8. 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.
9. Any and all officials and employees who will authorize, allow or permit, as well as those who are negligent in the performance of their duties and functions which resulted in the incurrence or payment of unauthorized and unlawful obligation or expenditure shall be personally liable to the government for the full amount committed or expended and subject to disciplinary actions in accordance with Section 43, Chapter 5 and Section 80, Chapter 7, Book VI of EO 292.

Recommending Approval:

Carmencita P. Mahinay
CARMENCITA P. MAHINAY
Director, BMB-C

Date: *9-25-18*

Approved:

By Authority of the Secretary:

Tina Rose Marie L. Canda
TINA ROSE MARIE L. CANDA
Undersecretary

COB No. C2-18-00-0042

Department of Budget and Management

BTS



2018-S10462L

cc: The Chairman
Board of Directors, SBMA
Assistant Commissioner Winnie Rose H. Encallado
Commission on Audit (COA) - Central Office
COA Building, Quezon City

The Resident Auditor
COA-SBMA